

CHIEF JUSTICE ROBERTS,
ACTIVIST IDEOLOGUE

HOW EUROPE DOES
HEALTH CARE BETTER

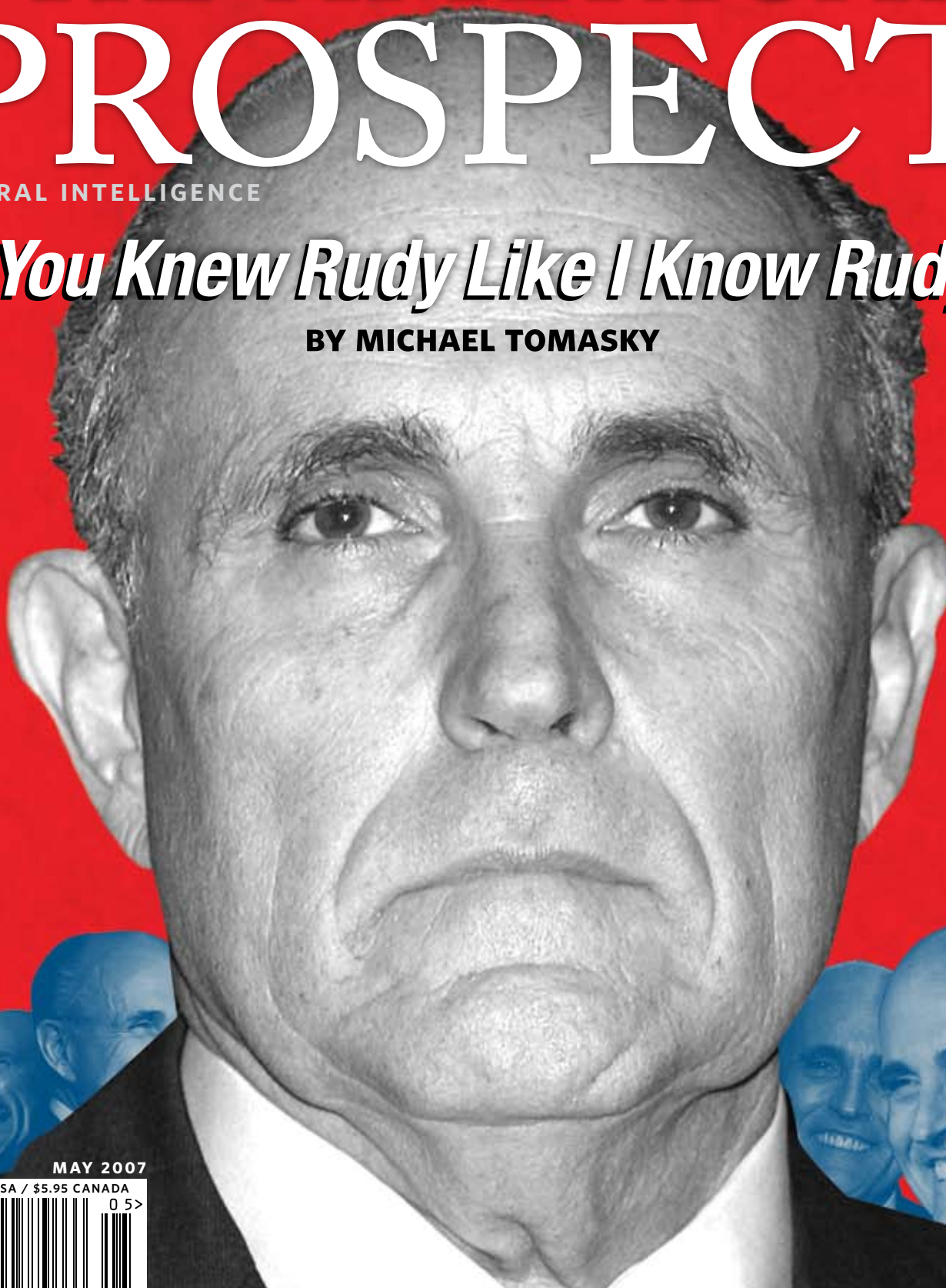
SPECIAL REPORT: ENDING
POVERTY IN AMERICA

THE AMERICAN PROSPECT

LIBERAL INTELLIGENCE

If You Knew Rudy Like I Know Rudy...

BY MICHAEL TOMASKY



MAY 2007

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"We stand for a living wage—a standard high enough to make morality possible, to provide for education and recreation ... and to permit of reasonable saving for old age."

— THEODORE ROOSEVELT

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- 17 **The Health of Nations** *by Ezra Klein*
With universal health care now back on the nation's agenda, it's time to learn how other nations provide it more cheaply than we do, with better health-care results. Herewith, a look at Canada, France, Britain, Germany, and our own Veterans Health Administration (which provides—oh, the horror—socialized medicine).
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The American Prospect has partnered with Dēmos and received the support of The Annie E. Casey Foundation and the Northwest Area Foundation to produce this special report. It showcases the work of **Mark Greenberg, William E. Spriggs, Ron Haskins** and **Isabel Sawhill, Ernesto Cortés Jr., Kati Haycock, Jared Bernstein, Greg J. Duncan, Tamara Draut, Thomas A. Kochan, Thomas M. Shapiro** and **Melvin L. Oliver**, and **Michael Lipsky** and **Dianne Stewart, Alan Jenkins, Joan Titzgerald** and **Andrew Sum, Marta Tienda, David Callahan**, and **Robert Kuttner**.

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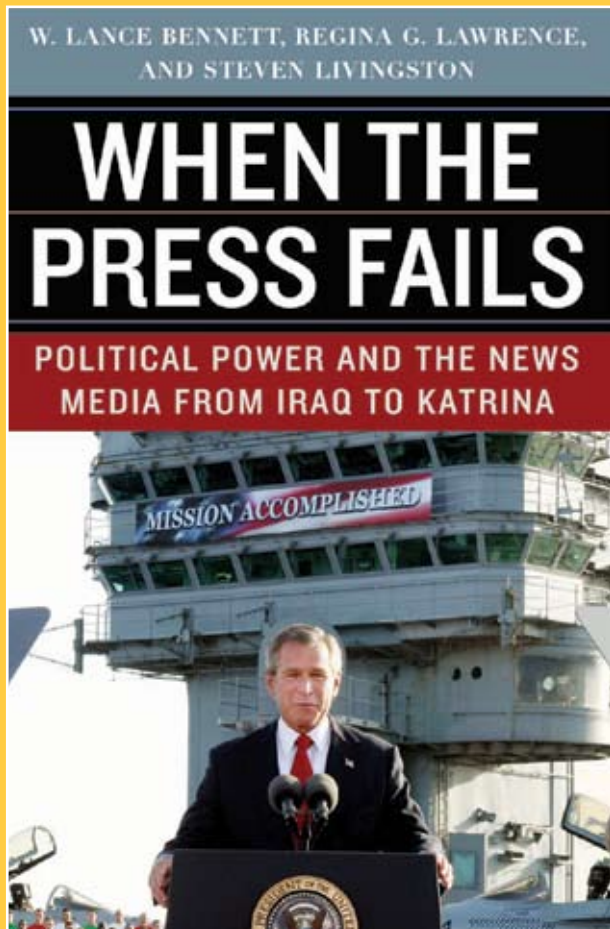
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—Bob Edwards

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Is Rising Inequality Reversible?

NEW FIGURES CAME OUT AT THE END OF MARCH SHOWING that income inequality in 2005 reached the highest levels since the 1920s. By coincidence, presidential hopeful Rudy Giuliani that same day declared his support for the flat tax and received the endorsement of Steve Forbes. That the current front-runner for

the Republican nomination could believe it was in his political interest to call for an end to progressive taxation says a lot about how far his party has to go in recognizing one of the central economic and moral challenges of our time.

Although the basic story of growing economic disparities has become depressingly familiar, the latest report on trends in income is so shocking that it ought to serve as a political wake-up call. During 2005 (the most recent year for which data are available), total income reported to the Internal Revenue Service rose by 9 percent, but all the gains went to the richest tenth. Income for the other 90 percent of Americans declined by 0.6 percent.

In fact, income growth has become so concentrated that the 300,000 Americans who make up the top 1 percent collectively received as much income as the 150 million Americans in the lower half of the distribution.

Like studies of global warming, reports of rising income inequality have elicited a characteristic sequence of responses from the right. First comes denial. Then, as the data accumulate, conservatives insist that, alas, nothing can be done—at least not without such great costs as to be counterproductive.

Yet, like Giuliani, they often propose to do something about inequality: make it worse. The flat tax is a particularly egregious example. Besides doing away with progressive tax rates, it would eliminate taxes on dividends, interest, and capi-

tal gains and shift the burden to labor.

Already, from 1980 to 2004, taxes paid by the top 1 percent fell from 44 percent to 30 percent of income. The flat tax would cut taxes on the super-rich even further, while raising rates for working- and middle-class families who depend on wages for their livelihood.

And the flat tax is hardly atypical of conservative policy ideas. Social Security privatization would increase disparities in income among the elderly. Individual health accounts would exacerbate economic disparities between the healthy and the sick by imposing on the sick more of the costs of their own care. So much of the conservative economic agenda has the underlying message “You’re on your own” that Jared Bernstein of the Economic Policy Institute calls it “YOYO economics”—an apt term, because if Republicans who have embraced these ideas succeed in carrying them out, Americans would be jerked around a lot harder by the economy’s ups and downs.

But can Democrats make any difference? Let’s look at the record.

Although there has been a long-term trend toward rising income inequality, the two parties have affected that trend in

opposite ways. From 1948 to 2001, there were five Democratic and five Republican presidents. According to research on pretax income by the political scientist Larry Bartels, every Republican administration saw an increase in income inequality: Incomes rose more slowly for families at the 20th percentile than for families at the 80th (near the top). In contrast, income inequality declined during four out of five Democratic administrations (all but Jimmy Carter’s).

The main explanation for these differences in pretax income, Bartels argues, was macroeconomic policy. Economic growth was 30 percent higher and unemployment 30 percent lower under Democrats than under Republicans. Tight labor markets benefited lower- and middle-income families more than those at the top.

These patterns understate the differences in the impact of party control because living standards also depend on policies toward taxes and noncash benefits not reflected in pretax income. Republican policies have boosted the after-tax income of people at the top, while Democratic tax and transfer policies have spread prosperity to the less-affluent.

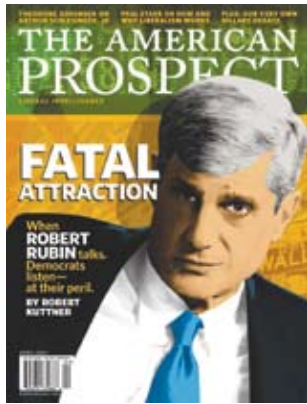
What would the elements of a shared-prosperity agenda look like today? Economic policies that promote full employment. A higher minimum wage. Labor laws that protect workers’ rights to organize. Health insurance for all. And a rollback of the Bush tax cuts.

The rise in inequality since the 1970s may not be wholly reversible, but it can at least be stopped.

Instead of “You’re on your own,” an agenda for shared prosperity expresses the opposite idea: “We’re in this together.” That should not be a partisan proposition. Republicans have to see that a shriveled prosperity cannot be an enduring basis for a winning politics. **TAP**

—PAUL STARR

*Politics matters.
For a half century,
income inequality
has fallen under
Democrats but risen
under Republicans.*



Chinese Change Cometh

JAMES MANN [“AMERICA’S China Fantasy,” March 2007] over-exaggerates China’s power, under-estimates its vulnerabilities, and in consequence advocates a policy of trade and financial unilateral hawkishness that would be a strategic disaster for the United States—and a huge risk for the global trading and financial system. What is distinctive about the Chinese economy is less its eye-catching headline growth but rather its wanton wastefulness, poor productivity, low rate of innovation, and reliance on foreign companies.

China’s weaknesses preoccupy its leaders. They increasingly recognize the importance of “institution-building” as essential to growth—code for developing accountability processes, from the legal system to corporate governance, that will give the system an endogenous capacity to deliver innovation, productivity, and accountability in elections.

Something akin to an Asian Enlightenment is underway as successive Asian countries develop their own democratic settlement. Neither China nor its middle

class that Mann believes has been so completely co-opted into the communist system will stand apart from this trend, for which the necessary if insufficient condition has been enlightened U.S. policy since 1945 and is as much, if not more, a Democrat than a Republican success story. Nobody can say with certainty when the current pull-push stance of staying open to China while pressing for change will transform the system. Mann is right to argue that American business should side with the reformers in this struggle, but wrong to argue that the cause is so hopeless.

Successful progressive politics within the United States hinges on openness at home and abroad. Risking an international trade war is a misreading of China’s alleged strength. It is self-defeatingly bad economics and politics—and the wrong moment for Democrats to repudiate a policy that is working.

WILL HUTTON
Author, The Writing on the Wall

Economist Defends Economists

WHEN DID *THE AMERICAN Prospect* decide to become so hostile to the views of economists—even progressive ones—like myself? (Full disclosure: I was a member of the Clinton administration in the late 1990s, as chief economist of the U.S. Department of Labor.)

Barry Lynn’s attack on our profession [“Why Economists Can’t See the Economy,” April] is long on nastiness but short on accuracy or evidence. Contrary to

his claims, very few economists really believe that competition and markets are perfect—and our textbooks are filled with other models that stress imperfect and asymmetric market power and information. Most modern economic analysis is based on empirical evidence from real-world data. On globalization, the evidence is quite clear: it remains a mostly positive (though often disruptive and uneven) force for economic growth and poverty reduction as well as efficiency around the world. A range of policies is certainly needed to ensure that globalization provides broad prosperity and security.

Bob Kuttner’s piece on Robert Rubin [“Friendly Takeover”] is also very problematic. The vast majority of Democratic or progres-

sive economists like myself believe that deficit reduction contributed importantly to lower interest rates and economic growth in the 1990s. And, given huge projected budget deficits over the next few decades, fiscal responsibility should remain high on our agenda. Reasonable people can certainly differ with Rubin on exactly how to choose between new spending and deficit reduction, but the debate is not served by such an attack on his views or integrity.

HARRY J. HOLZER
*Professor of Public Policy
Georgetown University*

Letters to the editor should be sent to letters@prospect.org or mailed to The Editors, The American Prospect, 2000 L St., NW, Suite 717, Washington, D.C. 20036.

FROM THE EXECUTIVE EDITOR

THIS MONTH’S ISSUE BEGINS WITH A CONUNDRUM: Rudy Giuliani has emerged as the clear frontrunner in the Republican race for president, though his social liberalism should appall any right-minded conservative. Actually, while Rudy’s core beliefs may be more malleable than they seem, his personal life should give all those family-values Republicans even more pause, as Mike Tomasky, who covered Giuliani’s mayoralty as the political editor of *New York* magazine, documents in our cover story.

We also look this month at the core beliefs of Chief Justice John Roberts, who pledged in his confirmation hearings to eschew judicial activism, but who has repeatedly joined with Scalia & Co. in substituting the right’s social agenda for state and federal law. In the first major profile of the new chief justice, attorney Simon Lazarus, noting that virtually all of today’s judicial activism is on the right, argues with liberals who won’t attack conservative justices on that score, as though an era of liberal judicial activism were just around the corner. Elsewhere, as Democrats begin to formulate their plans for universal health care, Ezra Klein provides a primer on how Europe, Canada, and the Veterans Administration are able to do what the United States ludicrously cannot: Provide medical care for all without going broke. *A votre santé!*

— HAROLD MEYERSON

Up Front



REGRETS, THEY'VE HAD A FEW

AS GOOD AMERICAN CONSUMERS, WE'VE ALL LIKELY experienced buyer's remorse. But in 2007, seller's remorse—not to mention smearer's remorse—seems a special attribute of Republican campaign operatives and funders.

In mid-February, *The New York Times* reported that the architects of the Destroy-the-Clintons-by-All-Means-Possible operation of the 1990s had thought it over and concluded, well, that they'd been wrong. Richard Mellon Scaife, the gazillionaire who spent over \$2 million publicizing the Clintons' involvement, however fictitious, in drug running, murder, and scandalous land deals, apparently now wants to take it all back. "Both of us have had a rethinking," Christopher Ruddy, Scaife's ace investigator, told the *Times*. "[Bill] Clinton wasn't such a bad president. In fact, he was a pretty good president in a lot of ways, and Dick feels that way today."

Not to be outdone, Matthew Dowd, a campaign strategist for George W. Bush in 2000 and the chief strategist in 2004, told the *Times* in April that Bush's entire approach to governing was wrong, and that in hindsight, John Kerry had been right in calling for the U.S. to pull out of Iraq. Citing Bush's failure to fire Donald Rumsfeld when the Abu Ghraib scandal broke, his refusal to meet with Cindy Sheehan, and his recess appointment of John Bolton as UN ambassador, Dowd complained that the president wasn't really interested in seeking consensus with the Democrats.

Now he tells us!

—HAROLD MEYERSON

ATWATER'S SYNDROME

It's all a bit reminiscent of what was quite literally the deathbed conversion of Karl Rove's mentor and W.'s great friend Lee Atwater, the legendary South Carolina GOP operative and smearmeister who ran Poppy Bush's successful 1988 campaign, where his *pièce de résistance* was the Willie Horton ad. It was just one in a series of notorious Atwater hits, dating back to a Carolina congressional campaign where he attacked the Democratic candidate for suffering bouts of depression while a teen. In 1990, however, Atwater was diagnosed with a brain tumor (he died a year later), converted to Catholicism, apologized to Michael Dukakis and that Democratic House candidate, and wrote in *Life* magazine that "what was missing in society is what was missing in me: a little heart, a lot of brotherhood."

Of course, Republicans could dispense with this repent-apalooza if they simply ran straight-up campaigns based on the merits of their candidates. Then again, when you look at their '08 presidential field ...

SILLY SEASON

Let's ponder the rise of Fred Thompson, former GOP senator from Tennessee and current DA on *Law & Order*. Thompson entered the presidential field as a

possible contender with 12 percent support (third place) in a March poll that showed Rudy Giuliani's support dropping by a similar amount—suggesting that Republicans are looking for a New York prosecutor who's a little more stable than Rudy. Thompson also has demonstrable crossover potential: With a southern accent and conservative politics, he still managed to win election in deep-blue Manhattan—on television, anyway.

Those not convinced could look to Tommy Thompson, who announced his candidacy during the Fred Thompson surge, obviously hoping to win the Thompson-confusion vote. Then there's Mitt Romney, who, according to his first-quarter fundraising totals, apparently can claim a larger number of campaign contributors than people who actually want to vote for him.

Perhaps the party could use a bit of the old Lee Atwater after all.



DICONNECTION

On April 5, the Pentagon declassified an inspector general's report reconfirming the absence of direct ties between Saddam Hussein's regime and al-Qaeda prior to the U.S. invasion of Iraq,

ERIC PALMA; LANDOV

**THE QUESTION:
WHAT SHOULD
REGRETFUL BUSH
CAMPAIGN STRATEGIST
MATTHEW DOWD
DO FOR PENANCE?**

"Advise the president that abuse of presidential power is a carcinogen. If ignored, proceed to a Senate hearing, then a House impeachment inquiry."
—John Dean



"Spending the next decade in professional purgatory will be penance far greater than the crime of poor judgment."
—Donna Brazile

"Submit his confessions. Recall his infamous memo to Karl Rove prescribing polarizing politics. Why should he receive forgiveness if he won't tell us what he did to tear our country apart?"
—Sydney Blumenthal

and took then–Undersecretary of Defense Douglas J. Feith to task for having hyped dubious intelligence saying otherwise.

This is, of course, old news. The belief in robust operational links between Iraq and al-Qaeda has long since been relegated to the furthest fringes of right-wing kookery ... where the vice president of the United States still dwells. Indeed, on the same day the Defense Department report was released, Dick Cheney did a phone interview with Rush Limbaugh, during which he reiterated his firm belief in such links. Referring to Abu Musab al-Zarqawi's group, he said, "This is al-Qaeda operating in Iraq. And as I say, they were present before we invaded Iraq." But al-Zarqawi didn't affiliate with al-Qaeda—or rise to influence and bloody infamy—until after the invasion.

Can we get an inspector general's report on Cheney's psyche?

TASTE OF DEFEAT

Other conservatives, lacking the vice president's capacity for self-delusion regarding Iraq, are instead seeking refuge in humor and fine dining. One April night, R. Emmett Tyrrell, founder of *The American Spectator* and author of the new book *The Clinton Crack-Up*, tried to crack up the crowd

attending his Washington book party at Morton's Steakhouse.

"If there's one good thing that can be said about Vietnam," he said, "at least we got some good restaurants."

The audience at the D.C. eatery—an institution so popular with Washington conservatives that hard-line Iran hawk Michael Ledeen has his own nameplated wine locker in the entryway—feasted on colossal shrimp cocktail, crab cakes, steak sandwiches, and a cake with Bill Clinton's face on its frosting.

"I'm not looking forward to Iraqi cuisine," quipped Tyrrell.

ZEN HAMMER

Speaking of books, Tom DeLay has a new memoir-cum-political manifesto out called *No Retreat, No Surrender*. (Two decades after Ronald Reagan name-checked "Born in the U.S.A.," Bruce Springsteen still can't seem to catch a break from these guys.) The felled Hammer tosses out the requisite provocative lines—to wit: "I have learned something about liberals. They are much like communists." And: "The dramatic expansion of the federal government in recent generations has come close to making slaves of the



American people." And: "By charging this big lie about money laundering, liberals have finally joined the ranks of scoundrels like Hitler."

You get the idea.

More intriguing are the book's moments of cryptic semi-philosophical musing. Early on, DeLay proclaims, "If politics is the art of truth in pursuit of power, then I am the man who builds the conduit from the truth to the power."

Heady stuff—the word "conduit" has more typically appeared near terms like "PAC" or "laundering" in DeLay-related discussions.

QUIZ

Spot the fake right-wing book title

- A. WAR CRIMES:** *The Left's Campaign to Destroy Our Military and Lose the War on Terror*
- B. DISROBED:** *The New Battle Plan to Break the Left's Stranglehold on the Courts*
- C. THE TRUTH ABOUT MUHAMMAD:** *Founder of the World's Most Intolerant Religion*
- D. TARGET:** *In the Crosshairs of Bill and Hillary Clinton*
- E. COURAGE UNDER FIRE:** *How George W. Bush Ignored the Polls, Bucked the Press, and Withstood the Left's Assaults to Do What's Right*
- F. THE SHADOW PARTY:** *How George Soros, Hillary Clinton, and Sixties Radicals Seized Control of the Democratic Party*
- G. INDOCTRINATION U:** *The Left's War Against Academic Freedom*

ANSWER: E (AUTHORS OF THE REAL BOOKS ARE, RESPECTIVELY: A. ROBERT WILLEY; F. DAVID HOROWITZ AND RICHARD POE; G. DAVID HOROWITZ); B. "BUZZ" PATTERSON; C. MARK W. SMITH; D. ROBERT SPENCER; E. KATHLEEN



Obama and the Rules

BY MARK SCHMITT

DEMOCRATIC PRESIDENTIAL PRIMARY CONTESTS OFTEN follow a familiar pattern: There is one candidate (usually the one I find myself supporting) with a high-minded pitch for “a new kind of politics”—what the *Los Angeles Times* columnist Ron Brownstein recently called the “wine track” candidate—and

there is a “beer track” candidate who says things like “It’s your fight, too!” (Dick Gephardt, 1988) or “The presidency [isn’t] an academic exercise; [it] has to be a day-to-day fight for the American people” (Al Gore, 2000).

Usually, as Brownstein points out, the wine-tracker has a nice run in the odd-numbered year, because better-educated voters pay attention earlier. Then, when the real contest begins, the beer-track candidate picks up the union endorsements and the working-class voters, the results quickly resolve in his favor, and the rest of us take home our “Don’t Blame Me, I Voted for Bruce Babbitt” bumper stickers.

The difference between those early elite favorites and the eventual winners is not ideology. Sometimes the wine-trackers are a shade to the right of the Democratic median, like Paul Tsongas; sometimes, as in the case of Howard Dean, they’re a bit more liberal. The big difference is that the fighter treats politics as a game with a defined set of rules, while his adversary tries to change them.

Senator Barack Obama’s campaign might seem, as it did to Brownstein, to fit this pattern. Like my old boss Bill Bradley, who at this point eight years ago was being compared by *New York* magazine to a “hot IPO,” Obama will enthrall the elites in 2007, but come New Year’s Day, normalcy will return. The elegant diffidence of the wine-track candidate will be admired, but not rewarded.

Under the normal rules, a candidate using the “fighting” message appeals to working-class voters and the standard Democratic interest groups to win the primaries, then makes a move to the center for the general election. Under the rules that won two general elections for Democrats in the 1990s, candidates must target the small number of voters who are considered to be in play: fiscally conservative, socially liberal, fairly affluent. Those rules, however, lead to a narrowing, limited politics that, even if successful, creates none of the enthusiasm or energy that a new president will need in order to promote ambitious policy change.

But it’s not the ’90s anymore. The scorched-earth politics of the Bush era melted everything in its path. Democrats took a long time to understand the new rules. They should have been a better-organized, coherent, fighting opposition party in 2001 and 2003. Many of us will be angry about what happened in those years for the rest of our lives.

But it doesn’t necessarily follow that the presidential candidate in 2008 should have the voice of pure opposition that we wish Democrats had had in

2002. The era of conservative domination has come to an end. George W. Bush and much of what he has stood for have been totally discredited. The political rules of the ’90s are outdated, but so are the politics of Bush, and equally the politics of anti-Bush.

And this is where Obama comes in. He alone seems to have a theory about the next era of politics, not the last. His appeal to unity is not as soft or aloof as it may seem. What’s most interesting about it is that he’s calling for an engagement with ideological conservatism itself, rather than with powerful interests. There’s a real difference between calling for bipartisanship, as Senators Hillary Clinton and John McCain do, and calling for a mutual attempt to understand and respect the conservative worldview, as Obama does in *The Audacity of Hope*. At a time when conservatism is discredited, as a result of its alliance with the least-principled gang ever, Obama is calling it out and attempting to separate it from the narrow economic interests it has served. This is not just a standard accommodation to power and interest; it’s an attempt to reground politics on questions of first

Obama seems to have a theory about the next era of politics, not the last. His appeal to unity is not as soft as it may seem.

principle—in a way that will end to liberalism’s advantage. And if the rules of the primary have changed, it’s a strategy that just might work as well in the primaries as in the general election, avoiding that awkward turn in March or April that the standard rules require.

A call for unity and common ground can be a mark of naïveté about power or the grasping last bid of a failing candidate. But it can also be a profoundly smart political act, one very conscious of power, defining the scope of conflict in a way that defines *us* broadly and *them* narrowly. I’m willing to bet that an old Chicago community organizer has no naïveté about power and understands exactly why the rules have to change. **TAP**

Shul Politics

BY GARANCE FRANKE-RUTA

WASHINGTON IS A CITY OF MICROCULTURES WITH major power. At first glance, its C-SPAN-ready inhabitants may all look alike, but over time you learn to distinguish the import of the small differences that Washingtonians allow themselves. If you see a gaggle of people

smoking outside a formal dress event, for instance, you're likely looking at a group of Republicans. Men with close-clipped beards tend to be Democrats who work at nonprofits, or Arab diplomats, while a certain facial tautness is a common marker of membership in the Botoxed political donor class that lives in Georgetown. And then there are the kippahs (well, kippot, to use the Hebrew plural, or yarmulkes, to use the Yiddish).

Of all the rifts in Washington, the great kippah divide has stirred up the most controversy of late. That, of course, is not what anyone is calling the most recent round of controversy over the American Israel Public Affairs Committee (AIPAC), which has been charged by academics, liberal journalists, and bloggers with having an undue influence on U.S. policies in the Middle East. At the heart of the dispute, though, sits a more familial conflict: an intra-Jewish community divide over religious practices, concern for Israel, and political affiliation during an era of resurgent liberalism and new Democratic Party strength.

It's a divide you can see in audiences all over the city. Go to a conservative Hudson Institute event, and you'll likely spot the occasional kippah in the audience. At the Democratic Leadership Council's (DLC) annual meeting, though, you're sure to see plenty. But at the yearly conference of the liberal Campaign for America's Future, you'll find lots of Jews, but zero kippahs. Political liberalism and secularism go

hand in hand in America. Fewer than half of American Jews belong to synagogues, and, of those, Reform congregations draw the most. Attachment to Israel tracks closely with synagogue attendance, intensity of Jewish identity, and concern with anti-Semitism. No surprise, then, that the population of Jews most active on Israel issues is quite a bit more religious and conservative than average.

While the latest round of controversy over the "Israel lobby" was launched last year by an article from political scientists Stephen Walt and John Mearsheimer, this spring's new volley of criticism came from a mainly young, inside-the-Beltway group of Jews whose religious practices don't involve weekly attendance at any of the Washington synagogues where AIPAC staffers are still treated as the chosen of the chosen. Rather than being a sign of a resurgent anti-Semitism or anti-Israel sentiment, much less Jewish self-hatred, however, the new liberal critiques of AIPAC closely mirror recent efforts by the resurgent progressive movement, home to many Jews without kippahs, to force groups whose base is Democratic, but whose politics are deemed too conservative for the present era, to relitigate their hold on power.

During the last four years, Democratic

Party liberals have repeatedly forced centrist Democrats and nonpartisan interest groups to freshly contend for the influence they'd wielded unchallenged for years. Many of these divides date back to the Howard Dean campaign, which was opposed within the Democratic Party by the DLC, *The New Republic*, and former vice-presidential candidate Joe Lieberman. Since then, Dean's opponents have all clashed with—and ceded some power to—the new progressive bloggers, media critics, and political activists. Dean has taken control of the party apparatus, *The New Republic* has brought on a cadre of more liberal writers, Lieberman left the party entirely to retain his seat after losing his Democratic primary race, and DLC leaders Evan Bayh and Tom Vilsack ultimately chose not to vie for the Democratic presidential nomination.

The controversy over AIPAC is symptomatic of the deep suspicion with which the newly muscular progressive movement which includes many liberal Jews, regards AIPAC's years-long effort to ingratiate itself with the Bush administration. But any interest group seeking Democratic ties that has also forged alliances with ultraconservative Christians—and that recently

featured a controversial right-wing pastor at its annual conference, as AIPAC has—would find itself challenged in the new political environment. Indeed, liberal stalwarts NARAL Pro-Choice America and the Sierra Club caught hell from progressive bloggers in 2005 and '06 merely for backing

moderate Republicans.

That doesn't mean that Democrats will turn away from Israel in the years ahead, any more than they would from environmentalism or a woman's right to choose. But it does mean that AIPAC will likely continue to face criticism from a political movement that's demanding a wholesale renegotiation of who holds power in America. **TAP**

The AIPAC controversy is largely a familial conflict—pitting Jews with kippahs against Jews without.

What Rudy Believes

Gun control? Welcoming immigrants? A woman's right to choose? Never mind his past positions. The only -ism that Rudy Giuliani believes in is sadism.

BY MICHAEL TOMASKY

CONSERVATIVES WHO ADMIRE RUDOLPH GIULIANI for his association with the date September 11, 2001, may wish to consult Google on the question of the mayor's behavior on May 10, 2000. The Rudy of that date should give them, and everyone, reason to stop and think about the great hero's moral architecture.

The weeks leading up to the date had been surreal. Giuliani was running for a U.S. Senate seat against Hillary Clinton. The traditional Senate campaign in New York consists of swings upstate to discuss economic development and airfares, day trips out to Long Island to curse sprawl and pledge devotion to oysters, and occasional high-minded speeches in the city at places like the Council on Foreign Relations—Clinton's tedious, but quite effective, course. Rudy's, however: Rudy's campaign since March had consisted of vicious attacks on a police-shooting victim named Patrick Dorismond; an announcement by his estranged wife, Donna Hanover, that she would appear in *The Vagina Monologues* ("GYNO-MITE!" ran the headline in the *New York Post*); and the exposure, at long last, of Rudy's extramarital relationship, with a woman named Judith Nathan. In the middle of it all, he'd been diagnosed with prostate cancer, but even that sympathetic note seemed strange enough as to be somehow part of his willed unraveling.

A full week had now passed since the Nathan story broke, and Giuliani, in the face of a frenzied media circus, had said nothing publicly about his marriage. A photo, indelibly etched in my memory, from Cardinal John O'Connor's May 8 funeral service—he had died the same night Nathan hit the papers—summed up the weirdness better than any words could: There in the front pews sat the Clintons, the Gores, the Bushes, the Pataki, and, all by himself, Giuliani. And so the papers, that morning of May 10, carried livid admonitions from Republicans like state Senate Majority Leader Joe Bruno for the mayor to return to planet Earth, to address his situation, and to *run a campaign*. As fate would have it, I had lunch that day on Union Square with Juleanna Glover Weiss, Giuliani's just-hired press secretary who later went on to a certain kind of fame as one of "Cheney's Angels" (the vice president's loyal and secretive spokeswomen). So I missed the press conference—as did she,

more importantly—at the New York Public Library at which *The New York Times*' Elisabeth Bumiller asked Giuliani, "Do you have any reaction to Mr. Bruno's comments yesterday ... about your marriage?"

(Let's stop here and contextualize. At that point, Giuliani had been mayor—"Hizzoner," in tabloid-speak—for six years. He had, with his able first police commissioner, William Bratton, cleaned up the city. He'd won the gratitude of the city's moneyed class—the finance, insurance, and real-estate sectors that are known, in municipal parlance, by the somewhat disconcerting acronym FIRE. He'd converted thousands of white liberals into Giuliani Democrats—I remember a *Newsday* article about a woman the paper had found on election day 1993 in a Barnes & Noble on the Upper West Side (!) wearing an "I Believe Anita Hill" button (!!)) who admitted that she'd voted ... for Giuliani!!! He'd shown, at repeated junctures, his disdain for black political leaders, and black New York detested him. He'd squired his communications director, Cristyne Lategano, around town in a way that suggested a relationship that was something more than professional, and been spotted on one occasion helping her pick out a dress. He entered the Senate race halfheartedly at best—interested in the acclaim that would accompany beating Clinton, but not at all interested in the work of actually being a senator. And his behavior lately had been erratic; and with regard to Dorismond—whose "crime" had been to refuse to buy pot from undercover cops [who ended up killing him], Giuliani trashed him on national television and illegally released his sealed juvenile records—appalling. And now, Bruno, the third-most-important Republican in the state after him and Governor George Pataki, was excoriating him in the most public way possible.)

"I do," Giuliani said to Bumiller. "It was very, very painful. For quite some time, it's probably been apparent that Donna and I"—his New York accent, never thick, was real enough that "Donna and I" always came out "Donner and I," making it sound like he was talking about a reindeer—"lead, in many ways, independent and separate lives. It's been a very painful road, and I'm hopeful that we'll be able to formalize that in an agreement that protects our children ..."

Sounds reasonable, right? Indeed, it sounds even open, hon-

est, and painful—and for those reasons admirable, especially for a politician. But there was one huge catch: He hadn't told Donna that he was announcing this. Today, as Giuliani seeks the presidency, journalistic shorthand typically refers to his “messy divorce,” or uses other phrases like that. Barbara Walters assembled a report for *20/20* in late March that was focused squarely on the question of the Giuliani-Nathan relationship—this was the Giuliani campaign's spectacularly unsuccessful attempt to render Nathan a sympathetic figure—but even then, Walters glossed over the sordid details. Reports like Walters' avoid describing what really happened: that he used his *own* philandering as a ploy to elicit public sympathy in a battle that *he* started against the mother of his two children, then ages 10 and 14.

That May afternoon, “Donner” emerged from Gracie Mansion and announced that she'd tried to keep her marriage together, referring to an attempted reconciliation the previous summer, but that “it was difficult to participate in Rudy's public life because of his relationship with one staff member” (both Giuliani and Lategano have always denied a dalliance). Two nights later, while Donna and the kids were on a plane to Los Angeles to spend the weekend—Mother's Day weekend, no less!—with her parents, Rudy took Judy out for a stroll up Second Avenue, permitting the newspaper photographers to snap pictures all along the way. They were on the cover—the “wood,” in the argot—of the tabloids the next day, as Giuliani undoubtedly knew they would be. That, I thought, was an interesting way to “protect” his children, which he had vowed so solemnly to do just 48 hours previous.

Bill Clinton may have embarrassed his family, but Rudy Giuliani humiliated his. That previous summer to which Donna referred, when she thought she and her husband were reconciling? He was dashing out to the Hamptons to spend weekends at Judy's condo! This was not mere irresponsibility, the kind of “mistake” we “learn from,” as he has taken to saying on the stump. This was sadism. And he didn't act this way only toward his wife and kids, which might render this a private matter. No—this was how the man dealt with enemies private and public.

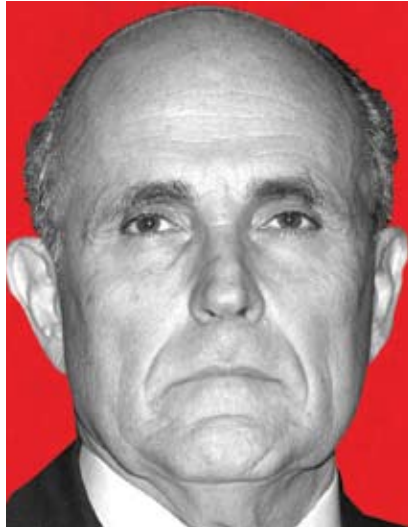
Conservatives may think they're supporting the September 11 Rudy. But I covered the man for 15 years, and I can guarantee them they'll be getting the May 10 Rudy as part of the bargain. If they actually nominate him, they will eventually learn this the hard way, just like poor Donna did.

FOR THOSE OF US WHO'VE BEEN READING “DEMOCRATS IN DIS-
array” stories since around the time disco records were burned
in Comiskey Park, the presidential campaign season so far has
brought something approaching a hallucination. The *Democrats*
are the party with three strong candidates (I'd say four, tossing

in the underrated Bill Richardson), each of whom represents a plausible strain of Democratic thought and aspiration? And the *Republicans* are the ones facing the Hobson's choices? It hasn't been like this, so cleanly and unambiguously like this, since John F. Kennedy.

This wasn't supposed to happen. George Allen was supposed to be the man—kosher to both the anti-tax right and the Christian right, he was the subject of preseason, groundwork-laying paeans like Rich Lowry's November 2005 profile in *National Review*, which came complete with a socialist-realist cover photo of Allen engaging in the leaderly (to conservatives) pastime of throwing a football. But the first-string quarterback fractured his femur when he stepped in some *macaca*, so the job of Republican front-runner is wide open.

Conservative leaders are panicked. The loss of Congress last fall—one can't overestimate the *shock* Republicans felt upon seeing that they'd lost the Senate as well as the House—only intensifies the condition. Democrats have a good shot at retaining control of both chambers (21 GOP senators face re-election, and just 12 Democrats). And if they claim the White House—well, just think of it. A mere two years ago, Karl Rove could still speak of building his permanent conservative majority. But if this scenario plays out, the GOP could be a neutered minority party for eight years.



Did Rudy really believe in abortion rights and gay rights? “That’s a very tough question,” says David Garth, who handled his mayoral races.

This lightning-fast change, says conservative writer and Republican observer James P. Pinkerton, has driven conservatives to conclude that they *must* win the White House at all costs. And that's where Giuliani comes in. Of course 9-11 remains the wellspring of his appeal, and the fact that movement conservatives viscerally loathe John McCain helps him enormously. But he also benefits handsomely from conservatives' desperation, which makes them more likely to accept someone they disagree with on certain issues. “Giuliani is the kind of candidate a party nominates after it's lost a bunch of elections,” Pinkerton says. “You know: ‘He's not from the base, but we're desperate to win.’”

In this sense, Pinkerton compares Giuliani to Clinton and Dwight Eisenhower—candidates who might not have been acceptable to the base in fatter times but who were embraced because people made the assessment that they could win. The analogies seem odd at first blush, because the GOP is still in power; but things happen faster nowadays, and after last fall's elections, and with President Bush effectively finished as a leader, Republicans don't *feel* like they're in power. “The '06

elections were stinging enough that maybe what oftentimes takes a couple of elections to happen has already insinuated itself into Republican politics,” says Pinkerton.

PINKERTON’S WORDS TOOK ME BACK TO THE FALL OF 1991, when I was calling around to liberal party activists in New York about Bill Clinton. Yes, they’d say, he’s dodgy on labor and this and that, but he’s progressive on such-and-such and he’s very charismatic and goddammit, we have to win this time. This is just how some conservatives talk about Giuliani today. So the analogy is very apt as far as it goes.

But I think it doesn’t go very far. By 1991, Clinton already had a well-developed national profile. He’d been president of the Democratic Leadership Council. He’d taken substantive positions on national issues. One knew where he stood and the basic thrust of the policies he would pursue if elected. One also knew, well before he announced his candidacy in October 1991—in other words, by about this time in the cycle—that Clinton was bent on challenging some key party orthodoxies.

With Giuliani, we don’t know any of this. The only positions he’s taken on national issues in the last year or two have, far from challenging any orthodoxies, consisted of praising George W. Bush and sucking up to the right as much as humanly possible. He supports the war and the surge. He said he’d appoint judges in the mold of John Roberts and Samuel Alito. Accepting the endorsement of Steve Forbes, he embraced Forbes’ regressive flat tax, which 11 years ago he’d branded a “disaster.” He hired a Texas-based consulting firm, Olsen & Shuvalov, that grew out of Karl Rove’s old firm. He hired Ted Olson, the former solicitor general and guru for the “Arkansas Project” (the right’s

According to church principles reiterated this March by Pope Benedict XVI, Giuliani, as a divorcee, can’t even take communion.

campaign to dig up or fabricate dirt on Bill Clinton), to advise him on legal issues. He even said, in 2005, that he backed Bush and Bill Frist in the Terri Schiavo case, and that he would have signed legislation to keep her feeding tube in. Most tellingly of all, this former U.S. attorney, who has a keen understanding of the freedom that prosecutors need from political pressure to do their jobs properly, said not a single word about the firings of the eight U.S. attorneys by the Justice Department for weeks after the scandal became public. And when he finally spoke, on March 21, it was merely to offer a defense of Alberto Gonzales as a “decent man” who deserved “the benefit of the doubt.” This was *after* the release of e-mails showing that Gonzales was more involved in the firings than he had acknowledged.

Giuliani is doing this sort of thing, obviously, to make amends for his liberal record on social issues. That record will haunt him; it might even haunt him out of the race. Certainly, a video clip that surfaced on YouTube in mid-March—showing him saying in 1989 that he supported federal funding for abortions for poor women—heightened social conservatives’ anxiety considerably.

What the video didn’t catch is that he went on to complain that David Dinkins, his opponent in that year’s mayoral race, was distorting “my pro-choice stance,” and that Dinkins’ ads were false: “That’s a damn lie. I’m pro-choice, and he knows it.”

Sounds like conviction-speak, doesn’t it? But here’s where conservatives might, oddly, take comfort (and where liberals might be especially concerned). When Giuliani was mayor, did he really believe in abortion rights and gay rights and strict gun-control laws and very liberal immigration policy? “That’s a very, very tough question,” says David Garth, the legendary New York political consultant who handled Giuliani’s 1993 and ’97 mayoral races. “My feeling was, the positions he took, he felt them. Whether he *really* felt them, if you know what I mean ... I don’t know.”

Mitchell Moss, the New York University professor and long-time municipal politics savant (and occasional adviser to Mayor Mike Bloomberg), paused when I asked him the question and delivered almost the exact same answer: “That’s a very interesting question.” Moss sensed that of the four issues mentioned above, immigration was the one Giuliani believed in more than the others. Indeed, his position was one that many Democrats, let alone Republicans, would have trouble with: He prevented city employees from contacting the federal government when they turned up immigrants with no legal documentation, and he fought for his position in federal court.

That’s two veteran Rudy-watchers, neither of whom can say for sure that he meant it. I’m a third, and I can say it more bluntly: He did what he needed to do to attain and maintain power. New York City is 5-to-1 Democratic. Early in his first race, in 1989, Giuliani tried to say that abortion was irrelevant to the mayoralty. This was

technically true but emotionally dissatisfying to a liberal electorate that was suspicious of him, so after that didn’t work, he threw in with the pro-choicers. And since he does things in only one gear—overdrive—it could *appear* to the casual observer that he was the most principled supporter of abortion rights on the planet.

This isn’t to say he didn’t believe his positions at the time, or think they were right for the city. Garth’s calibration seems to me correct. But it is to say this: He did what he needed to do politically then, and he’ll do what he needs to do politically now. It’s entirely possible that if he does become president, he could be *more* anti-choice than Bush and do *more* to appease his party’s anti-immigrant wing—certainly he’ll have more to prove to the people who nominated and elected him than Bush did. He’ll flip on guns in an instant.

Gay rights? That’s more complicated. Part of his support for gay rights comes from his knowing and being comfortable around openly gay people—that is to say, from being a Manhattanite down to the soles of his shoes. How many men move in with a gay couple after their wife throws them out, as Rudy did? It’s harder to picture him reversing course on that one. I could easily see him, as president, saying that homosexuality is a matter of biology, thus inducing stunned apoplexy within the Christian right. As I said earlier, he’ll find ways to make them pay for voting for him. It’s his way.



Family Week: Giuliani at a May 15, 2000 press conference, five days after he announced his separation in another press conference.

SO FAR, CONSERVATIVES SEEM—FOR THE MOST PART; there are definitely exceptions—willing to look beyond the record. Grover Norquist of Americans for Tax Reform says it's important, when pondering conservative motivation, to distinguish between “vote-moving issues” and “tongue-moving issues.” Vote-moving issues are taxes, guns, homeschooling, judges, Christian schools, condoms, and “leave me alone.” Everything else, in Norquist's taxonomy, is second-rank. If he's correct, the only socially liberal Giuliani position that might really cost him is gun control, which Norquist acknowledges “will be one of the tougher ones.”

Norquist isn't primarily a social conservative, though, and what social conservatives think will differ from his assessment. After the YouTube video surfaced, Tony Perkins of the Family Research Council went on *Hardball* and lambasted Giuliani for asking taxpayers to foot the bill for poor women's abortions. He seems unlikely to be a Giuliani partisan. Paul Weyrich is reportedly tending toward former Arkansas Governor Mike Huckabee. David Keene of the American Conservative Union (ACU) is said to be fairly anti-Giuliani.

Keene didn't return my calls, but I did talk with one ACU board member whose knowledge of Giuliani is particularly sharp. Mike Long is the chairman of the New York State Conservative Party (New York has more political parties than the typical state). His history with Giuliani is mostly contentious. In 1993, because Giuliani ran with the backing of the state's Liberal Party, Long and the Conservatives refused him their ballot line and ran someone against him (the smaller parties in New York can cross-endorse major candidates or select their own, and a candidate is permitted to run on as many ballot lines as he or she can amass). By 1999, in the early phase of Giuliani's abortive Senate run, Long was dangling the Conservative line in front of Giuliani's nose, with two conditions: 1) Giuliani could

not also accept Liberal backing, and 2) Giuliani had to renounce his support for so-called partial-birth abortion.

Giuliani didn't budge (though recently, he did a partial flip-flop on the question). Back then, Long spoke very directly about his anger toward Giuliani; today, however, Long is open to backing him. “Our relationship improved after 9-11,” Long told me, adding that he even offered Giuliani his party's backing in 2001 to do a last-minute ballot shuffle so that the mayor could run for a third term.

New York mayors are limited to two terms, so the end run didn't go anywhere. But the Long-Giuliani détente is crucial and perhaps emblematic, and it is built, unsurprisingly, around 9-11. “If terrorism is a very, very severe issue come this time next year, that really helps him overcome his problems,” Long says.

UNDER NORMAL CIRCUMSTANCES A GIULIANI VICTORY IN THE Republican presidential primary contest would be completely impossible. But these circumstances are pretty abnormal, and in them, Giuliani just might emerge as the least-bad choice.

Conservatives across the country still don't really know Giuliani—they know only the good things, and, on Pinkertonian logic, they may not even want to know very much about the bad things. And their desire not to know feeds perfectly into what is undoubtedly Giuliani's greatest political skill: his plainspoken persuasiveness, his ability to invest everything he says with immense authority and common sense. I've seen it a thousand times. Even when I knew for a fact that he was lying through his teeth, I also knew that he looked to the uninitiated like he was telling the absolute truth of God. He did this so convincingly that it was almost impossible for the criticisms to gain traction.

The liabilities that should make him an impossible choice for genuine conservatives are real. He was cold as ice to his wife and children. He is personally irreligious, as far as anyone knows. (Veteran New York investigative journalist Wayne Barrett has reported that he was almost never known to attend Mass; centrist Democratic blogger Ed Kilgore has wondered whether Giuliani can even be called a Catholic anymore; and it seems clearly true that, according to Church principles reiterated by Pope Benedict XVI on March 14, he can't, as a divorcee, even take communion. Matters are further complicated by the fact that his nuptials to his current wife were civil.) For the important job of homeland-security chief, he pushed Bernard Kerik, a man he almost certainly knew to have had ties to organized crime.

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Most of all, he actually *botched* 9-11—failing to equip the Fire Department of New York with the proper radios and arrogantly (and perhaps corruptly, according to Barrett and Dan Collins in their book, *The Grand Illusion*) putting his “bunker” in the only building complex in the city that had been the target of a previous terrorist attack, the World Trade Center.

But it all somehow washes off him. “It’s something about his personality,” says Garth. “His real personality, whatever it is, does not go counter to what you see in a campaign.” Even after what he did to Donna, his standing in the polls didn’t drop. When he strolled with Judy up Second Avenue, some people pumped their fists in the air and yelled, “Yo, Rudy!” A combination of the 9-11 mythology and the conservatives’ own desperation may have the right doing the same for the next several months.

AND AS A GENERAL-ELECTION CANDIDATE? LET’S NOT KID ourselves: Giuliani would be formidable. McCain has spent the past year trying, in increasingly desperate fashion, to hold on to his appeal among independent voters while assuaging the right. He has flopped. But there is evidence that Giuliani could pull this off.

We know from many a poll that he’s won conservatives over in the early stages. As to independents, a March 7 survey by the Quinnipiac University Polling Institute shows the potential of his appeal. The survey matched the presidential heavyweights against one another in various permutations in the three crucial states of Florida, Ohio, and Pennsylvania. In other words, nine possible matchups pitted Giuliani against the three leading Democrats—Clinton, Barack Obama, and John Edwards—in all three states. Among independents, Giuliani won all nine of those matchups, seven of them by double digits. By contrast, McCain led in just six of those matchups, all by feeble single digits, and Romney trailed in all nine, many by 20 points or more. Yes, it’s just a snapshot, but as snapshots go, it’s an ominous one.

Accurately or not—because as I said, who knows what Rudy truly believes?—a Giuliani nomination will signal to your average, not-very-political American that the Republican Party has changed course and become less right wing. This in turn will deprive the Democrats of a piece of artillery that they used to great effect last fall and are hoping to use again in 2008. Giuliani will be to the Democrats as a junk pitcher is to power hitters—he’ll throw them off their game.

Maybe conservatives, in their desperation, will want a man who supports policies utterly anathema to them (imagine the Democrats nominating an anti-choice, anti-civil-union, pro-border-fence candidate) and whose personal morality has been so aggressively at odds with the way they tell the rest of us we should live. They love their authority figures, and Giuliani is certainly that. But if this is the choice they make, we’ll know that modern conservatism has ceased to become an ideology based on any kind of principle and has instead morphed, in the age of terrorism, into something not dramatically far removed in spirit from a hero-worshipping cult. And if they want to know what life with Rudy is really like? Well, they should just ask Donna. **TAP**

The Health of Nations

Here's how Canada, France, Britain, Germany, and our own Veterans Health Administration manage to cover everybody at less cost and with better care than we do.

BY EZRA KLEIN

MEDICINE MAY BE HARD, BUT HEALTH INSURANCE is simple. The rest of the world's industrialized nations have already figured it out, and done so without leaving 45 million of their countrymen uninsured and 16 million or so underinsured, and without letting costs spiral into the stratosphere and severely threaten their national economies.

Even better, these successes are not secret, and the mechanisms not unknown. Ask health researchers what should be done, and they will sigh and suggest something akin to what France or Germany does. Ask them what they think *can* be done, and their desperation to evade the opposition of the insurance industry and the pharmaceutical industry and conservatives and manufacturers and all the rest will leave them stammering out buzzwords and workarounds, regional purchasing alliances and health savings accounts. The subject's famed complexity is a function of the forces protecting the status quo, not the issue itself.

So let us, in these pages, shut out the political world for a moment, cease worrying about what Aetna, Pfizer, and Grover Norquist will say or do, and ask, simply: What should be done? To help answer that question, we will examine the best health-care systems in the world: those of Canada, France, Great Britain, Germany, and the U.S. Veterans Health Administration (VHA), whose inclusion I'll justify shortly.

Putting aside the VHA, America's annual per person health expenditures are about twice what anyone else spends. That actually understates the difference, as our 45 million uninsured citizens have radically restricted access to care, and so the spending on the median *insured* American is actually quite a bit higher. Canada, France, Great Britain, and Germany all cover their entire populations, and they do so for far less money than we spend. Indeed, Canada, whose system is the most costly of the group, spends only 52 percent per capita what we do.

While comparing outcomes is difficult because of various lifestyle and demographic differences in the populations served, none of the systems mentioned betray any detectable disadvantage in outcomes when compared with the United States, and a strong case can be made that they in fact perform better. Here, however, I largely restrict myself to comparisons of efficiency and equity. With that said, off we go.

OH, CANADA!

As described by the American press, Canada's health-care system takes the form of one long queue. The line begins on the westernmost edge of Vancouver, stretches all the way to Ottawa, and the overflow are encouraged to wait in Port Huron, Michigan, while sneering at the boorish habits of Americans. Nobody gets to sit.

Sadly for those invested in this odd knock against the Canadian system, the wait times are largely hype. A 2003 study found that the median wait time for elective surgeries in Canada was a little more than four weeks, while diagnostic tests took about three (with no wait times to speak of for emergency surgeries). By contrast, Organisation for Economic Co-operation and Development data from 2001 found that 32 percent of American patients waited more than a month for elective surgery, and 5 percent waited more than four months. That, of course, doesn't count the millions of Americans who never seek surgery, or even the basic care necessary for a diagnosis, because they lack health coverage. If you can't see a doctor in the first place, you never have to wait for treatment.

Canada's is a single-payer, rather than a socialized, system. That means the government is the primary purchaser of services, but the providers themselves are private. (In a socialized system, the physicians, nurses, and so forth are employed by the government.) The virtue of both the single-payer and the socialized systems, as compared with a largely private system, is that the government can wield its market share to bargain down prices—which, in all of our model systems, including the VHA, it does.

A particularly high-profile example of how this works is Canadian drug reimportation. The drugs being bought in Canada and smuggled over the border by hordes of lawbreaking American seniors are the very same pharmaceuticals, made in the very same factories, that we buy domestically. The Canadian provinces, however, bargain down the prices (Medicare is barred from doing the same) until we pay 60 percent more than they do.

Single-payer systems are also better at holding down administrative costs. A 2003 study in *The New Great Britain Journal of Medicine* found that the United States spends 345 percent more per capita on health administration than our neighbors up north. This is largely because the Canadian system doesn't

have to employ insurance salespeople, or billing specialists in every doctor's office, or underwriters. Physicians don't have to negotiate different prices with dozens of insurance plans or fight with insurers for payment. Instead, they simply bill the government and are reimbursed.

The downside of a single-payer system in the Canadian style is that it constructs a system with a high floor and a low ceiling. If you don't like the government's care options, there's no real alternative. In this, Canada is rare. As we'll see with both France and Germany, other countries are able to preserve a largely nationalized system with universal access while allowing private options at the upper levels.

FRANCE

It's a common lament among health-policy wonks that the world's best health-care system resides in a country Americans are particularly loath to learn from. Yet France's system is hard to beat. Where Canada's system has a high floor and a low ceiling, France's has a high floor and *no* ceiling. The government provides basic insurance for all citizens, albeit with relatively robust co-pays, and then encourages the population to also purchase supplementary insurance—which 86 percent do, most of them through employers, with the poor being subsidized by the state. This allows for as high a level of care as an individual is willing to pay for, and may help explain why waiting lines are nearly unknown in France.

France's system is further prized for its high level of choice and responsiveness—attributes that led the World Health Organization to rank it the finest in the world (America's system came in at No. 37, between Costa Rica and Slovenia). The French can see any doctor or specialist they want, at any time they want, as many times as they want, no referrals or permissions needed. The French hospital system is similarly open. About 65 percent of the nation's hospital beds are public, but individuals can seek care at any hospital they want, public or private, and receive the same reimbursement rate no matter its status. Given all this, the French utilize more care than Americans do, averaging six physician visits a year to our 2.8, and they spend more time in the hospital as well. Yet they still manage to spend half per capita than we do, largely due to lower prices and a focus on preventive care.

That focus is abetted by the French system's innovative response to one of the trickier problems bedeviling health-policy experts: an economic concept called "moral hazard." Moral hazard describes people's tendency to overuse goods or services that offer more marginal benefit without a proportionate marginal cost. Translated into English, you eat more at a buffet because the refills are free, and you use more health care because insurers generally make you pay up front in premiums, rather than at the point of care. The obvious solution is to shift more of the cost away from premiums and into co-pays or deductibles, thus increasing the sensitivity of consumers to the real cost of each unit of care they purchase.

This has been the preferred solution of the right, which has argued for a move toward high-deductible care, in which individuals bear more financial risk and vulnerability. As the thinking goes, this increased exposure to the economic con-

sequences of purchasing care will create savvier health-care consumers, and individuals will use less unnecessary care and demand better prices for what they do use.

Problem is, studies show that individuals are pretty bad at distinguishing necessary care from unnecessary care, and so they tend to cut down on mundane-but-important things like hypertension medicine, which leads to far costlier complications. Moreover, many health problems don't lend themselves to bargain shopping. It's a little tricky to try to negotiate prices from an ambulance gurney.

A wiser approach is to seek to separate cost-effective care from unproven treatments, and align the financial incentives to encourage the former and discourage the latter. The French have addressed this by creating what amounts to a tiered system for treatment reimbursement. As Jonathan Cohn explains in his new book, *Sick*:

In order to prevent cost sharing from penalizing people with serious medical problems—the way Health Savings Accounts threaten to do—the [French] government limits every individual's out-of-pocket expenses. In addition, the government has identified thirty chronic conditions, such as diabetes and hypertension, for which there is usually no cost sharing, in order to make sure people don't skimp on preventive care that might head off future complications.

The French do the same for pharmaceuticals, which are grouped into one of three classes and reimbursed at 35 percent, 65 percent, or 100 percent of cost, depending on whether data show their use to be cost effective. It's a wise straddle of a tricky problem, and one that other nations would do well to emulate.

GREAT BRITAIN

I include Great Britain not because its health system is very good but because its health system is very cheap. Per capita spending in Great Britain hovers around 40 percent what it is in the United States, and outcomes aren't noticeably worse. The absolute disparity between what we pay and what they get illuminates a troublesome finding in the health-care literature: Much of the health care we receive appears to do very little good, but we don't yet know how to separate the wheat from the chaff. Purchasing less of it, however, doesn't appear to do much damage.

What's interesting is that many of the trade-offs that our health-care system downplays, the English system emphasizes. Where our medical culture encourages near-infinite amounts of care, theirs subtly dissuades lavish health spending, preferring to direct finite funds to other priorities.

This sort of national prioritizing is made easier because Great Britain has a socialized system, wherein the government directly employs most of the providers. Great Britain contains costs in part by paying doctors through capitation, which gives doctors a flat monthly sum for every patient in their practice. Since most patients don't need care in a given month, the payments for the healthy subsidize the needs of the sick. Crucially, though, the fixed pool of monthly money means doctors make more for offering less treatment. With traditional fee-for-service arrangements, like ours, doctors gain by treating more. The British system, by



Americans should recognize we have *chosen* to make health care costly. Were we to prioritize differently, we could make it more affordable.

contrast, lowers total costs by lowering the quantity of prescribed care. As University of San Francisco professors Thomas Bodenheimer and Kevin Grumbach write, “British physicians simply do less of nearly everything—perform fewer surgeries, prescribe fewer medications, and order fewer x-rays.”

That may sound strange, but it also means that society pays for fewer of those surgeries, fewer of those medications, and fewer of those X-rays—and as far as we can tell, the English aren’t suffering for it. Indeed, a 2006 study published in *The Journal of the American Medical Association* found that, on average, English people are much healthier than Americans are; they suffer from lower rates of diabetes, hypertension, heart disease, heart attack, stroke, lung disease, and cancer. According to the study’s press release, the differences are vast enough that “those in the top education and income level in the U.S.

had similar rates of diabetes and heart disease as those in the bottom education and income level in Great Britain.”

Great Britain’s example proves that it is possible to make economy a guiding virtue of a health system. We could do that on the supply side, through policies like capitation that would change the incentives for doctors, or on the demand side, by making patients pay more up front—or both, or neither.

Americans may not want that system, in the same way that the owner of a Range Rover may not want a Corolla, but we should at least recognize that we have *chosen* to make health care a costly priority, and were we to decide to prioritize differently, we could.

GERMANY

The German system offers a possible model for those who want to retain the insurance industry but end its ability to profit by pricing out the sick and shifting financial risk onto individuals. The German system’s insurers are 300 or so different “sickness funds” that act both as both payers and purchasers for their members’ care. Originally, each fund covered only a particular region, profession, or company, but now each one has open enrollment. All, however, are heavily regulated, not for profit, and neither fully private nor publicly owned. The funds can’t charge different prices based on age or health status, and they must continue covering members even when the members lose the job or status that got them into the fund in the first place. The equivalent would be if you could retain membership in your company’s health-care plan after leaving the company.

The move toward open enrollment was an admission that interfund competition could have some positive effects. The fear, however, was that the funds would begin competing for the healthiest enrollees and maneuvering to avoid the sickest,

creating the sort of adverse selection problems that bedevil American insurance. To avoid such a spiral, the government has instituted exactly the opposite sort of risk profiling that we have in the United States. Rather than identifying the unhealthy to charge *them* higher rates, as our insurers

do, the government compels sickness funds with particularly healthy applicants to pay into a central fund; the government then redistributes those dollars to the funds with less-healthy enrollees. In other words, the government pays higher rates to sickness funds with unhealthy enrollees in order to level the playing field and make the funds compete on grounds of price and efficiency. In this way, the incentive to dump the sick and capture the well is completely erased. The burdens of bad luck and ill health are spread across the populace, rather than remaining confined to unlucky individuals.

The system works well enough that even though Germans are allowed to opt-out of the sickness funds, they largely don’t. Those with incomes of more than \$60,000 a year are not required to join a sickness fund; about 10 percent of these citizens purchase private insurance and .02 percent choose to eschew coverage

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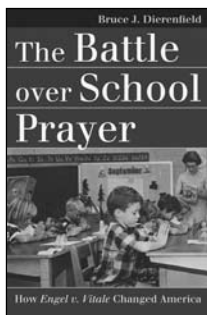
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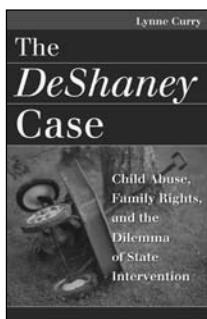
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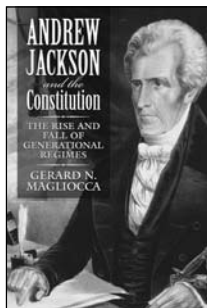
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entirely. The retention of a private insurance option ensures that Germans have an escape hatch if the sickness funds cease providing responsive and comprehensive coverage; it also clears a channel for experimentation and the rapid introduction of new technologies. And the mix of private-public competition works to spur innovation: By 2005, Germany had spent \$21.20 per capita wiring its system with health-information technology; America, meanwhile, had spent a mere 43 cents per capita, and most U.S. hospitals still have no systems to speak of.

What the German system has managed to achieve is competition without cruelty, deploying market forces without unleashing capitalism's natural capriciousness. They have not brought the provision of health care completely under the government's control, but neither have they allowed the private market, with its attendant and natural focus on profits, to have its way with their health system. It's a balance the United States has been unable to strike.

THE VETERANS HEALTH ADMINISTRATION

The mistreatment and poor conditions at the Walter Reed Army Medical Center were a front-page story recently, and they were rather conclusive in showing the system's inadequacy. But don't be confused: Walter Reed is a *military* hospital, not a VHA hospital. Poor reporting inaccurately smeared the quietly remarkable reputation of the best medical system in America.

Over the last decade or two, the VHA system has become a worldwide leader in both the adoption and the invention of health-information technology, and it has leveraged its innovations into quantifiable gains in quality of care. As Harvard's Kennedy School noted when awarding the VHA its prestigious Innovations in American Government prize:

[The] VHA's complete adoption of electronic health records and performance measures have resulted in high-quality, low-cost health care with high patient satisfaction. A recent RAND study found that VHA outperforms all other sectors of American health care across the spectrum of 294 measures of quality in disease prevention and treatment. For six straight years, VHA has led private-sector health care in the independent American Customer Satisfaction Index.

Indeed, the VHA's lead in care quality isn't disputed. A *New Great Britain Journal of Medicine* study from 2003 compared the VHA with fee-for-service Medicare on 11 measures of quality. The VHA came out "significantly better" on every single one. *The Annals of Internal Medicine* pitted the VHA against an array of managed-care systems to see which offered the best treatment for diabetics. The VHA triumphed in all seven of the tested metrics. The National Committee for Quality Assurance, meanwhile, ranks health plans on 17 different care metrics, from hypertension treatment to adherence to evidence-based treatments. As Phillip Longman, the author of *Best Care Anywhere*, a book chronicling the VHA's remarkable transformation, explains: "Winning NCQA's seal of approval is the gold standard in the health-care industry. And who do you suppose is the highest ranking health care system? Johns Hopkins? Mayo Clinic? Massachusetts General? Nope. In every

single category, the veterans health care system outperforms the highest-rated non-VHA hospitals.”

What makes this such an explosive story is that the VHA is a truly socialized medical system. The unquestioned leader in American health care is a government agency that employs 198,000 federal workers from five different unions, and nonetheless maintains short wait times and high consumer satisfaction. Eighty-three percent of VHA hospital patients say they are satisfied with their care, 69 percent report being seen within 20 minutes of scheduled appointments, and 93 percent see a specialist within 30 days.

Critics will say that the VHA is not significantly cheaper than other American health care, but that’s misleading. In fact, the VHA is also proving far better than the private sector at controlling costs. As Longman explains, “Veterans enrolled in [the VHA] are, as a group, older, sicker, poorer, and more prone to mental illness, homelessness, and substance abuse than the population as a whole. Half of all VHA enrollees are over age 65. More than a third smoke. One in five veterans has diabetes, compared with one in 14 U.S. residents in general.” Yet the VHA’s spending per patient in 2004 was \$540 less than the national average, and the average American is healthier and younger (the nation includes children; the VHA doesn’t).

The VHA’s advantages come in part from its development of the health-information software VistA, which was created at taxpayer expense and is now distributed for free to any health systems that wish to use it. It’s a remarkably adaptive program that helps in virtually every element of care delivery, greatly aiding efforts to analyze symptoms and patient reactions in

to best manage diseases rather than avoid the diseased; and the doctors are salaried, so they have no incentives to either over- or undertreat patients. Moreover, the VHA is not only empowered to bargain down drug costs; it also uses formularies (lists of covered drugs), and so is actually empowered to walk away from a pharmaceutical company that won’t meet its offer.

The results have been clear. “Between 1999 and 2003,” writes Longman, “the number of patients enrolled in the VHA system increased by 70 percent, yet funding (not adjusted for inflation) increased by only 41 percent. So the VHA has not only become the health-care industry’s best quality performer, it has done so while spending less and less on each patient.” Pretty good for socialized medicine.

THE GOAL OF HEALTH CARE IS TO GET EVERYONE covered, at the lowest possible cost, with the highest possible quality. But in the United States, there is another element in the equation that mucks up the outcome: Our system seeks to get everyone covered, at the lowest possible cost, with the highest possible quality, while generating the maximum possible profits. Within that context, the trade-offs and outcomes all seem to benefit the last goal, and so we tolerate 45 million uninsured Americans, unbelievably high prices, and a fractured system that lacks the proper incentives to deliver high-quality care.

This makes it hard to move toward a preventive system, as Canada has, because preventive medicine pays less. It makes it hard to address moral-hazard issues wisely, as the French have, because it’s unprofitable to insure diabetics, and less profitable still to make their care essentially free. It makes it hard to institute the cost savings that Great Britain has, because with less money flowing into the system, there would be far less profit to be made. It makes it hard to harness market forces while protecting against individual risk, as Germany has,

because insurer business models are predicated on shifting risk to employers and individuals, and profits are made when insurers can keep that risk from being shifted back onto them. And it is impossible to implement the practices that have so improved the VHA, because doing so would require a single, coherent health system that stuck with its members through their life cycles rather than an endlessly fractured structure in which insurers pawn off their members as they grow old, ill, or unemployed.

That’s not to say that there’s no room for profit within the American health-care system, but that it’s time the discussion stopped focusing on how to preserve the interests of moneyed stakeholders and started asking how to deliver the best care, for the lowest cost, at the highest quality—to every American. Such a system will probably still have private insurers (at least at the high end of care), pay enough to encourage pharmaceutical innovation, and allow for choice and competition and market pressures. But it will take as its guiding principle the health of the populace, rather than that of the providers. That, in the end, is what all the model health-care systems have in common. Except ours. **TAP**

What distinguishes our health-care system from other nations’ is that we guarantee the health of our providers, not of our populace.

order to improve diagnoses and treatments, reduce mistaken interventions, and eliminate all sorts of care redundancies.

The VHA also benefits from the relative freedoms of being a public, socialized system. It’s a sad reality that in the American medical system, doctors make money treating the sick, not keeping patients well. Thus, we encourage intervention-based, rather than prevention-based, medicine. It’s telling, for instance, that hospital emergency rooms, where we handle traumas, are legally required to treat the poor, but general practitioners, who can manage conditions and catch illnesses early and cheaply, can turn away the destitute.

Moreover, patients are transient, so early investments in their long-term health will offer financial rewards to other providers. And which HMO wants to be known as the one that’s really good at treating diabetes? Signing up a bunch of diabetes patients is no way to turn a profit.

As Longman details, the VHA suffers from none of these problems. Its patients are patients for life, so investing early and often in their long-term health is cost-effective; the system was set up to deal with the sick, so the emphasis is on learning how

ENDING POVERTY IN AMERICA

THE AMERICAN PROSPECT **SPECIAL REPORT** MAY 2007



THIS SPECIAL REPORT WAS PRODUCED IN COLLABORATION WITH **DĒMOS**,
THE ANNIE E. CASEY FOUNDATION, **THE NORTHWEST AREA FOUNDATION**,
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THIS SPECIAL REPORT ON ENDING POVERTY IN AMERICA IS A COLLABORATION OF THE AMERICAN PROSPECT and Dēmos. Both organizations share a deep commitment to greater equality in both American economic and political life, and we believe the two goals are directly connected. Only when our democratic institutions are robust and ordinary people fully participate in the nation's political life do we get policies that promote broad opportunity and full inclusion—of class, race, and gender. When politics are left to economic elites, the policies that result are likely to serve elites. And when government fails to address national needs, people turn away from politics.

We deeply appreciate the support of the Annie E. Casey Foundation and the Northwest Area Foundation, who commissioned this report in part for the Council on Foundations' 2007 meetings in Seattle. This is one of the Prospect's regular series of reports on major issues facing our country. It showcases the work of several colleagues associated with Dēmos, among other distinguished experts on poverty.

In assigning and editing these articles, we were struck by a paradox. There is now growing ideological convergence on what it takes to end poverty. Liberals and conservatives agree that ending poverty is about both personal behaviors and rewards to work; about both values and economics. Ending poverty requires opportunities for wealth creation as well as income support, empowerment as well as transfer payments. It requires all children to be school-ready, which takes both stronger families and more effective public programs.

Yet mocking this hopeful consensus there is a disabling one. Too many elected officials, both liberal and conservative, believe that we know what to do, but just can't afford it—whether because of budget deficits, or entitlement overloads, or national security demands. There is no shortage of good pilot programs, but time and again we hear that there is no money to take them to scale.

We disagree. This nation, on average, is twice as rich as in the 1960s. If America is to compete in a global economy, and honor its ideals, we can't afford to waste a single American. There is no good excuse for failing to end poverty in our lifetime.

ROBERT KUTTNER
Founding Co-Editor
The American Prospect

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UNDERSTANDING THE CHALLENGE

Making Poverty History

There is no secret about what it takes to end poverty.
We just have to get serious about doing it.

BY MARK GREENBERG

WE MIGHT NOT EXPECT TV'S *AMERICAN IDOL* TO BE OUT in front of most presidential candidates on issues of national importance, but that's what happened this spring. *AI*'s producers announced that they would dedicate two evenings to raising funds and awareness for children and young people in poverty, in both America and Africa. The show's commitment stands in contrast to most of the 2008 candidates. What does *American Idol* know that they don't?

American Idol isn't alone. In the last two years, there has been a surge of interest in ending poverty in America. In the faith community, Sojourners and Call to Renewal announced a Covenant for a New America and urged others to help them cut child poverty by half in 10 years. Catholic Charities USA created a Campaign to Reduce Poverty in America. New York City Mayor Michael Bloomberg created an Economic Opportunity Commission and charged it with proposing ways to promote opportunity and reduce poverty in the city, and he has begun implementing the commission's recommendations. A Task Force on Poverty, Work and Opportunity of the U.S. Conference of Mayors, led by Los Angeles Mayor Antonio Villaraigosa, made a set of ambitious recommendations. Governors, mayors, and legislatures in Connecticut, Minnesota, California, and Wisconsin—among others—have launched or proposed initiatives. These efforts are occurring against the backdrop of the larger international efforts to make poverty history.

Among presidential candidates, John Edwards has proposed a goal of ending poverty within the next 30 years, and put forward a plan to get there. Barack Obama, in announcing his candidacy, declared, "Let's be the generation that ends poverty in America." Can the other candidates be far behind? Will anyone want to go into a presidential debate saying it's a bad idea to try to eliminate poverty?

WHY NOW?

Why this revival of interest in tackling poverty now? There are many reasons, but three stand out.

First, Hurricane Katrina gave poverty a human face. The horrific images, and the stories behind them, made painfully clear that not far from the Mardi Gras part of town, thousands of city residents didn't own cars and couldn't afford a night in a hotel when disaster was approaching. Pre-Katrina New

Orleans represented an exceptionally bad case of concentrated poverty, but not a unique one. The Brookings Institution reports at least one neighborhood of extreme poverty—where at least 40 percent of residents live in poverty—in 46 of the 50 largest cities in the country.

Second, the extraordinary growth of wealth at the top has called attention to the corresponding growth of inequality and poverty. In 2005, the top 20 percent of American households had 50.4 percent of the nation's income, while the bottom 20 percent had 3.4 percent—the largest margin between top and bottom since this data series began, in 1967. The Center on Budget and Policy Priorities reports that between 2003 and 2004, the post-tax income of the bottom fifth rose by \$200 a year, while that of the top fifth rose by \$11,600, and post-tax income for the top 1 percent rose by \$145,500. And the wealth gap is far more extreme, with the top 1 percent of households holding one-third of the nation's net worth, while the bottom 40 percent have less than one percent of the nation's net worth. This is the widest gap since the 1920s.

Third, there is increasing recognition that in a globalized economy, the nation should not have millions of children growing up in persistent poverty. Our economic success increasingly depends on having a well-educated, adaptable workforce.

A new study by Harry Holzer and several colleagues, commissioned by the Center for American Progress' Task Force on Poverty, underscores how serious the drag on the economy turns out to be. Holzer and colleagues estimate that the net loss to the economy from persistent childhood poverty is about \$500 billion each year. That is about 4 percent of the gross domestic product, more than \$1,600 for every person in the country. The economic loss is almost evenly divided among lower productivity, higher health costs, and increased crime costs for adults who grew up in persistent poverty.

How much we lag behind other developed nations is starkly apparent in a new UNICEF study of child well-being. UNICEF found that the United States had the highest share of children with family incomes below half of median income among 21 rich nations—22 percent, as compared with an average of 11 percent for the others. Compared with 24 other nations, the United States tied for 22nd on infant mortality, ranked 22nd in terms of low-birth-weight babies, and was 22nd on the share of children age 15 with fewer than 10 books in the home.

Our low international ranking is not the result of the poor working less in the United States than elsewhere. On the contrary, research by Timothy Smeeding of Syracuse University found that among seven developed nations, poor households in the United States worked the most. The big difference was government policy, or the lack of it. In a comparison of 12 nations, Smeeding found that the U.S. poverty rate was below average when one looked at market income alone, before the effects of taxes and government-transfer policies. But after taxes and transfers, the United States had the highest poverty rate of all 12 nations.

WHAT'S HOLDING AMERICA BACK?

Why isn't every presidential candidate already proclaiming the need to tackle poverty? One apparent reason may be that since 9/11 and Iraq, foreign-policy questions have crowded out domestic issues. But that seems to be changing.

A second reason is that poverty in America is often seen as being about "the other"—especially minority, inner-city others. Poverty rates for African Americans (25 percent) and Hispanics (22 percent) are nearly triple those of whites (8 percent), even though a much larger number of the poor are white. Persistent poverty also disproportionately affects minorities. Economist Rebecca Blank found that in a 13-year period, one-third of all Americans (34 percent) were poor for at least a year, and about 10 percent were poor for most of the time, but fully 30 percent of African Americans were poor most of the time. It would be wrong to minimize the racial component of poverty in America.

At the same time, a single-minded focus on who is above or below the poverty line misses the bigger story of what is happening in the U.S. economy, and leads to focusing on how to "fix" the poor—instead of asking why our social and economic institutions result in millions of workers and their families living paycheck to paycheck, or worse.

The official poverty line—about \$20,000 a year for a family of four—is an arbitrary one, created in the 1960s and only adjusted for inflation since then. Over time, it has fallen steadily further from the social mainstream: It used to be about 50 percent of median income; now it's about 30 percent. Studies of a minimally decent standard of living routinely find that the typical cost is twice as high as the poverty line, or higher. Ninety million Americans—nearly one-third of the nation—have household incomes below twice the poverty line, a figure far larger than the "official" number of 37 million in poverty.

Millions of workers and families live at or near poverty lev-

els because one-fourth of all jobs in the U.S. economy do not pay enough to produce even a poverty-line income for a family of four. The Economic Policy Institute has found that the share of low-wage jobs declined some in the 1990s, when we approached a full-employment economy, but it has been stubbornly fixed at one-quarter since then. Bureau of Labor Statistics projections tell us that of the 30 jobs projected to account for the largest share of job growth between now and 2014, 18 are low-wage or very low-wage. And the jobs that are low-wage are the least likely to offer health care, retirement plans, paid sick leave, or virtually any other employment benefit.

We should encourage people to get more education, and encourage many to work more. But given the realities of our labor market, it's clear that unless the nation changes the way we reward work, tens of millions of Americans will remain mired in or near poverty.

Studies of a minimally decent standard of living routinely find that the typical cost is twice as high as the federal poverty line. That means 90 million Americans—nearly one in three—are poor or near-poor.

WHAT SHOULD WE DO?

It's not hard to identify a set of policies that would help the poor and millions of other Americans. These include an increased minimum wage, more income-support measures such as the Earned Income Tax Credit, a renewed focus on unionization, a framework of lifelong learning, health-care reform, child-care assistance for all who need it, comprehensive immigration reform, initiatives to help underemployed groups get in or back into the workforce, and strategies to promote asset building, among others. But we need more than a list of policies; we need a national commitment to seriously tackle poverty.

Here, we should take inspiration from the United Kingdom, where the Labour Government took office facing the worst child-poverty numbers in Europe, and committed itself to ending child poverty

in a generation, with benchmarks of one-quarter by 2005, one-half by 2010, and elimination by 2020. Having a national goal has contributed to dramatic progress: Between 1998 and 1999 and 2005 and 2006, the number of poor children in the United Kingdom fell by more than half in absolute terms, and by 18 percent in relation to a "relative" poverty standard used to measure progress. The British still have a long way to go to meet their goals, but having policy guided by a national commitment has made a critical difference.

The United States can afford to be a nation where no one is poor. If *American Idol* thinks we ought to act now to reduce poverty, how about the presidential candidates? **TAP**

Mark Greenberg is the director of the Task Force on Poverty at the Center for American Progress. He is on leave from the Center for Law and Policy, where he is the Director of Policy.

The Changing Face of Poverty in America

Why are so many women, children, racial and cultural minorities still poor?

BY WILLIAM E. SPRIGGS

“Water, water everywhere, nor any drop to drink.”

—Samuel Taylor Coleridge, *The Rime of the Ancient Mariner*

IN 1960 AMERICAN WORKERS PRODUCED A GROSS DOMESTIC Product of \$13,847 (in year 2000 dollars) for every man, woman, and child in the country. By 1969, GDP per capita rose to \$18,578. In that period, the poverty rate for American children dropped almost by half, from 26.5 percent to 13.8 percent. The most recent data, for 2005, show child poverty has risen again, to 17.1 percent, while the GDP per capita stood at \$37,246, roughly double the value in 1969. How did the nation become twice as wealthy but its children become poorer?

In 2000, the number of poor Americans reached an 11-year low at 31.6 million, and the poverty rate stood at a 26-year low at 11.3 percent. While the nation again became richer after the post-2001 recovery, more than 5 million Americans fell into poverty, and the latest figures put the number of poor Americans at 36.9 million people.

To put a face on American poverty, it is important to first put that poverty in context—to understand not just who is poor today but to examine how poverty changes over time. With that perspective, we can appreciate that in a nation as wealthy as the United States, poverty is not intractable.

“The federal government declared war on poverty, and poverty won.”—Ronald Reagan

THAT LINE FROM PRESIDENT REAGAN’S 1988 STATE OF THE Union address, was used to ridicule Lyndon Johnson’s efforts to fight poverty. President Johnson launched that fight in March 1964, submitting the Economic Opportunity Act to Congress and saying these words: “Because it is right, because it is wise, and because, for the first time in our history, it is possible to conquer poverty ...”

Johnson believed that a wealthy nation produces enough for each individual citizen to live above poverty. This was a question of political and moral will, not an economic constraint. So, he differentiated between the day’s global struggle to end poverty in countries like Mali and Haiti, where there was a real economic constraint to be overcome, and the situation in America, a land that was not poor in resources but that lacked moral conviction. The Johnson legacy chart on the following page shows the path of poverty for black children, a primary beneficiary of LBJ’s programs. In 1965, almost 66 percent of black children lived below the poverty line. In four

short years, that share was cut to 39.6 percent, a tremendous accomplishment. By contrast, the Reagan legacy chart shows the path of poverty for black children from 1981 to 1989, the era of Reagan and George Bush Senior. In 1980, 42.1 percent of black children lived below the poverty line; and by 1988 that share had risen to 42.8 percent. Yes, poverty won.

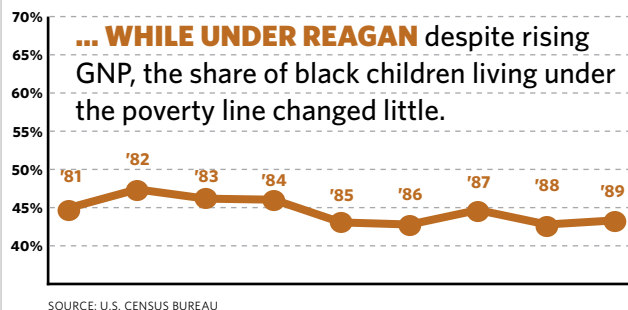
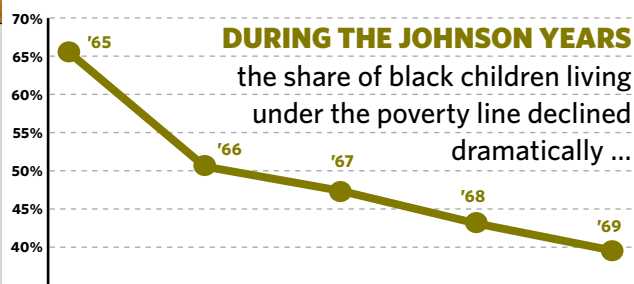
HOW POLICY INFLUENCES POVERTY

The face of poverty in America is the result of policy choices, of political will, and of moral conviction—or its absence. The incidence of poverty is heavily concentrated in the United States across the South and the Southwest. The legacy of slavery is part of that story. Forty percent of America’s poor live in the South. Four of today’s five poorest states were ones that existed in the old Confederacy. Of the onetime Confederate states, only two—Florida and Virginia—do not rank in the current 20 states with highest poverty levels.

Why do some people lack the income to rise above poverty? For many, the reason is that they do not work; for others, the reason is that they work but do not earn enough money. Nonworkers include the elderly, the disabled, and children, as well as the unemployed. And public policy treats different groups differently.

The Social Security old-age program insures virtually all retired workers against the risk of outliving their savings. The old-age benefit formula is tied to the rising productivity of current workers, indexing the benefits to the average national wage. The shared risk, and the insured shared prosperity, explain why the poverty rate for those over 65 has declined from more than 28 percent in 1966 (nearly double the national poverty rate of 14.7 percent) to 10.1 percent today (below the national rate of 12.6 percent). In 1974, the poverty rate for the Census category of white non-Hispanic seniors, at 12.5 percent, was double the poverty rate for working-age (18–64) white non-Hispanics, at 5.9 percent. Today, the poverty rate for the two age groups is virtually equal, at 7.9 percent for seniors and 7.8 percent for working-age white non-Hispanics.

Another group of people who do not work, by law, are children. But their income is derived mostly from their parents. The rise in child poverty, therefore, reflects the rise in the inequality of their parents’ earnings. So, while 9.8 percent of the poor are seniors, 33.5 percent of the poor are children. Children make up a much higher share of the poor among blacks (41.9 percent of poor blacks) and Hispanics (42.6 percent of poor Hispanics) than among whites (24.5 percent of poor whites). And while the poverty rate of seniors has shown a steady trend downward as



national income has risen, child poverty rates are as intractable as the growing inequality in working families' earnings.

The wide divergence in how public policy treats different groups was not Congress' original intent. The Social Security Act of 1935 sought to protect the incomes of those who did not work because of age or a poor economy by establishing a federal framework for unemployment insurance, old-age benefits, and assistance to women with dependent children. In 1939, the old-age benefit structure was fully federalized to produce consistent benefits. But, Aid to Families with Dependent Children (AFDC) and the unemployment-insurance system were put in state hands. And in the 1990s, AFDC was transformed from its Social Security Act roots into a state block grant. The mostly state-run unemployment-insurance system, meanwhile, is strained by the transformation of the economy from one in which workers could expect to be laid off in recessions and then rehired into one based on the structural creation and destruction of whole industries and occupations.

Children in our antipoverty system are oddly split. Today, more children receive a check from the Old Age, Survivors and Disability Insurance (OASDI) Program than are helped by the new Temporary Assistance for Needy Families (TANF) program that replaced AFDC. Some children, therefore, enjoy their parents' protection against the loss of income from disability, untimely death, or old age, and receive benefits that are based on the same formula used for the old-age benefit. Low-income black children are especially helped by the disability benefits their parents receive, or by the survivor benefits that the child receives—because the benefit formula is national and intended to alleviate poverty.

By contrast, children receiving TANF aid are subject to the whim of their state. In 2004, a widowed mother and two children, on average, received a monthly OASDI survivors' benefit of \$1,952. Those two children would live above the federal poverty line. The TANF benefit for the same family, however, could range from \$170 a month in Mississippi to \$215 in Alabama to

\$240 in Louisiana to \$625 in New Hampshire, leaving children in all of those states far below the poverty line. Adjusting for inflation, the survivors' benefit has been increasing since 1970, while the average benefit under AFDC (and now TANF) has been falling. While the OASDI benefit level is set by a federal formula, policy-makers in states with higher shares of black TANF recipients choose lower benefit levels.

Like TANF recipients, unemployed workers are also at the mercy of their state; the average weekly benefit can range from \$179 a week in Mississippi to \$320 in New Jersey. In the 1950s, close to half of the nation's unemployed workers received benefits; today, only about 35 percent do. This varies widely by state, from 21 percent in Wyoming to 24 percent in Texas to 58 percent in Pennsylvania to 71 percent in New Jersey. And the percentage of earned income replaced by unemployment benefits has steadily fallen as well.

DILIGENT AND STILL POOR

An ongoing topic of debate is the relationship of child poverty and parents' income to the increase in single-parent households. Other things being equal, two parents in a household usually earn more than one, but they are not assured of earning their family's way out of poverty. Hispanic and black children have roughly similar levels of poverty—33.2 percent for black children, and 27.7 percent for Hispanic children. Yet 41 percent of black families with children are married, whereas 68 percent of Hispanic families with children are married. In 1974, when the poverty rate among black children was at 39.6 percent, 56 percent of black families with children were married. Two-income families today are less likely to be poor, but much is at work besides family structure.

To be poor is to lack income, so the core issue is earnings. In 1962, on the eve of the March on Washington for Jobs and Justice in 1963, the median income of black men was below the poverty threshold for a family of three, but by 1967 it was above that level (not until 1995 did it get above the poverty level for a family of four). Because of the rise in the earnings of black women, poverty among black children fell in the 1990s, just as the rise in the earnings of black men helped lower black children's poverty level in the 1960s. By 1997, the median income of black women rose above the poverty level for a family of three.

Among the poor, 11.4 percent work full time, year-round. These 2.9 million Americans are directly hurt by minimum-wage laws that have lagged behind costs of living. This problem is especially acute for Asians and Hispanics, where 18 percent of the working poor worked full time, year-round.

Recent immigrants who are not citizens have a poverty rate of 20.4 percent. Like all groups, noncitizen immigrants had falling poverty rates in the 1990s as the labor market expanded: Their poverty rate fell from 28.7 percent in 1993 to a low of 19.2 percent in 2000. Then, following the national trend, their poverty rate started to climb. During the Reagan administration, the United States suffered its highest national unemployment rates since the Great Depression. In the black community, the effects were devastating: The unemployment rate for adult (over age

20) black men peaked at more than 20 percent in December 1982; during the entire Reagan presidency, the unemployment rate for adult black men remained in double digits. The highest recorded unemployment rate for adult white men was 9 percent in November and December 1982. But for black men, the unemployment rate remained above that mark for 182 straight months (15 years), from October 1979 to November 1994. Because children do not work and need working adults to support them, it is hardly surprising that during that period, black child poverty rates remained intractable above 40 percent.

Poverty for women is disproportionately higher than for men, 14.1 percent compared to 11.1 (in 2005), primarily because of higher rates of poverty among female-headed households, gaps in poverty for the elderly (7.3 percent for men over age 65 compared to 12.3 percent for women in 2005), and for single women (24.1 percent) compared to single men (17.9 percent) living alone. The gap reflects persistent gaps in earnings between men and women, though that gap is falling. White non-Hispanic men, age 25 and over, with a high-school diploma have a median income of \$35,679, while women, age 25 and over, need a college degree to have a similar median income (\$36,532 in 2005). And, while the median income of white males has been above the poverty line for a family of five since 1959, the median income for women only broke above the poverty line for a family of three in 1990. The persistent gap is best reflected in differences in poverty among the elderly, where the life-long earnings of women mean they have lower assets in Social Security benefits than do men, despite the progressive structure of the benefit formula. The gap among the elderly also reflects issues of access to jobs with pensions for women.

Women who are the single head of household face the extra burden of earning enough to raise dependent children out of poverty. This risk a woman faces of helping non-working dependents is not shared by society, as would be a woman's efforts to care for her elderly parents. The result is that female-headed households, harmed by the significant earnings gap between men and women, have a poverty rate of 31.1 percent compared to male-headed households (with no wife present) of 13.4 percent, while the overall poverty rate for families is 10.8 percent.

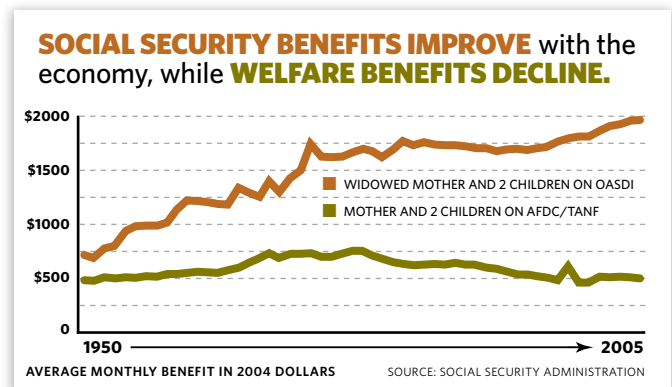
FULL EMPLOYMENT AND ITS LIMITS

It took the presidency of Bill Clinton, with its expansive labor market and increases in the minimum wage and the Earned Income Tax Credit, to dramatically improve the incomes of poor and minority families. As job creation reached a record pace, the unemployment rate for black men plummeted, reaching a recorded low of 6 percent in March 1999. With work comes income, and poverty for black families fell. This history suggests something about the proper way to view responsibility and poor people as agents in their own fate: Usually they are not victims of themselves, but of bad economic policies and barriers to opportunity.

Under Reagan, who ridiculed antipoverty efforts, the number of black children living below the poverty line increased by 200,000, from 3.9 million in 1980 to 4.1 million in 1988. Dur-

ing the Clinton years, the black child poverty rate fell steadily, from 46.3 percent to a record-low 30 percent, lifting about 1.6 million black children out of poverty. For all children, the poverty rate fell annually during the Clinton's presidency, reaching a 30-year low of 15.6 percent when he left office. But those reduced poverty rates may be the best we can achieve simply by getting jobs for parents. While lower than during the Reagan years, they do not equal the lows America has achieved for its senior citizens, or the general population. And those gains reversed course when George W. Bush became president.

Because of record job creation in the 1990s, the number of people who worked and were poor declined from 10.1 million in 1993 to 8.5 million by 2000; greatly increased working hours and higher wages meant higher incomes. But during the current expansion, a record 48 months was required to get



payroll employment back to the level preceding the employment downturn that began in late 2000, a lag not matched since Herbert Hoover. So while full employment is necessary to alleviate poverty, it is far from sufficient.

In short, America knows how to address poverty. Its great success in lowering the poverty level of those over 65 has changed the face of poverty. But for those subject to the whims of state differences and the correlation of race with state policies to address poverty, there have been great intractable issues that have left the face of poverty disproportionately young, black, Hispanic, and female. Growing inequality in the labor market, moreover, has increased the share of the poor who are of working age, and stagnant federal minimum-wage laws have increased the oxymoron of full-time, year-round working poor people.

In a nation with a per capita GDP above the poverty line for a family of four, it is appalling that almost 3 million people work full time, year-round and are poor, and that more than 12 million American children are living in poverty. Lyndon Johnson proposed to fight poverty "because it is right, because it is wise." In a land of vast wealth, twice as rich as America in the 1960s, can today's leaders rise to the occasion? **TAP**

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RACE AND POVERTY

Inequality, Race, and Remedy

It would be hopeful to believe that race is no longer a factor in poverty and that we can be a color-blind society. But America still has a legacy to overcome—and to achieve.

BY ALAN JENKINS

OUR NATION, AT ITS BEST, PURSUES THE IDEAL THAT what we look like and where we come from should not determine the benefits, burdens, or responsibilities that we bear in our society. Because we believe that all people are created equal in terms of rights, dignity, and the potential to achieve great things, we see inequality based on race, gender, and other social characteristics as not only unfortunate but unjust. The value of equality, democratic voice, physical and economic security, social mobility, a shared sense of responsibility for one another, and a chance to start over after misfortune or missteps—what many Americans call redemption—are the moral pillars of the American ideal of opportunity.

Many Americans of goodwill who want to reduce poverty believe that race is no longer relevant to understanding the problem, or to fashioning solutions for it. This view often reflects compassion as well as pragmatism. But we cannot solve the problem of poverty—or, indeed, be the country that we aspire to be—unless we honestly unravel the complex and continuing connection between poverty and race.

Since our country's inception, race-based barriers have hindered the fulfillment of our shared values and many of these barriers persist today. Experience shows, moreover, that reductions in poverty do not reliably reduce racial inequality, nor do they inevitably reach low-income people of color. Rising economic tides do not reliably lift all boats.

In 2000, after a decade of remarkable economic prosperity, the poverty rate among African Americans and Latinos taken together was still 2.6 times greater than that for white Americans. This disparity was stunning, yet it was the smallest difference in poverty rates between whites and others in more than three decades. And from 2001 to 2003, as the economy slowed, poverty rates for most communities of color increased more dramatically than they did for whites, widening the racial poverty gap. From 2004 to 2005, while the overall number of poor Americans declined by almost 1 million, to 37 million, poverty rates for most communities of color actually increased. Reductions in poverty do not inevitably close racial poverty gaps, nor do they reach all ethnic communities equally.

Poor people of color are also increasingly more likely than

whites to find themselves living in high-poverty neighborhoods with limited resources and limited options. An analysis by The Opportunity Agenda and the Poverty & Race Research Action Council found that while the percentage of Americans of all races living in high-poverty neighborhoods (those with 30 percent or more residents living in poverty) declined between 1960 and 2000, the racial gap grew considerably. Low-income Latino families were three times as likely as low-income white families to live in these neighborhoods in 1960, but 5.7 times as likely in 2000. Low-income blacks were 3.8 times more likely than poor whites to live in high-poverty neighborhoods in 1960, but 7.3 times more likely in 2000.

These numbers are troubling not because living among poor people is somehow harmful in itself, but because concentrated high-poverty communities are far more likely to be cut off from quality schools, housing, health care, affordable consumer credit, and other pathways out of poverty. And African Americans and Latinos are increasingly more likely than whites to live in those communities. Today, low-income blacks are more than three times as likely as poor whites to be in “deep poverty”—meaning below half the poverty line—while poor Latinos are more than twice as likely.

THE PERSISTENCE OF DISCRIMINATION

Modern and historical forces combine to keep many communities of color disconnected from networks of economic opportunity and upward mobility. Among those forces is persistent racial discrimination that, while subtler than in past decades, continues to deny opportunity to millions of Americans. Decent employment and housing are milestones on the road out of poverty. Yet these are areas in which racial discrimination stubbornly persists. While the open hostility and “Whites Only” signs of the Jim Crow era have largely disappeared, research shows that identically qualified candidates for jobs and housing enjoy significantly different opportunities depending on their race.

In one study, researchers submitted identical résumés by mail for more than 1,300 job openings in Boston and Chicago, giving each “applicant” either a distinctively “white-sounding” or “black-sounding” name—for instance, “Brendan

Baker” versus “Jamal Jones.” Résumés with white-sounding names were 50 percent more likely than those with black-sounding names to receive callbacks from employers. Similar research in California found that Asian American and, especially, Arab American résumés received the least-favorable treatment compared to other groups. In recent studies in Milwaukee and New York City, meanwhile, live “tester pairs” with comparable qualifications but of differing races tested not only the effect of race on job prospects but also the impact of an apparent criminal record. In Milwaukee, whites reporting a criminal record were more likely to receive a callback from employers than were blacks without a criminal record. In New York, Latinos and African Americans without criminal records received fewer callbacks than did similarly situated whites, and at rates comparable to whites with a criminal record.

Similar patterns hamper the access of people of color to quality housing near good schools and jobs. Research by the U.S. Department of Housing and Urban Development (HUD) shows that people of color receive less information from real-estate agents, are shown fewer units, and are frequently steered away from predominantly white neighborhoods. In addition to identifying barriers facing African Americans and Latinos, this research found significant levels of discrimination against Asian Americans, and that Native American renters may face the highest discrimination rates (up to 29 percent) of all.

This kind of discrimination is largely invisible to its victims, who do not know that they have received inaccurate information or been steered away from desirable neighborhoods and jobs. But its influence on the perpetuation of poverty is nonetheless powerful.

THE PRESENT LEGACY OF PAST DISCRIMINATION

These modern discriminatory practices often combine with historical patterns. In New Orleans, for example, as in many other cities, low-income African Americans were intentionally concentrated in segregated, low-lying neighborhoods and public-housing developments at least into the 1960s. In 2005, when Hurricane Katrina struck and the levees broke, black neighborhoods were most at risk of devastation. And when HUD announced that it would close habitable public-housing developments in New Orleans rather than clean and reopen them, it was African Americans who were primarily prevented from returning home and rebuilding. This and other failures to rebuild and invest have exacerbated poverty—already at high levels—among these New Orleanians.

In the case of Native Americans, a quarter of whom are poor, our government continues to play a more flagrant role in thwarting pathways out of poverty. Unlike other racial and ethnic groups, most Native Americans are members of sovereign tribal nations with a recognized status under our Constitution. High levels of Native American poverty derive not only from a history of wars, forced relocations, and broken treaties by the United States but also from ongoing breaches

of trust—like our government’s failure to account for tens of billions of dollars that it was obligated to hold in trust for Native American individuals and families. After more than a decade of litigation, and multiple findings of governmental wrongdoing, the United States is trying to settle these cases for a tiny fraction of what it owes.

The trust-fund cases, of course, are just the latest in a string of broken promises by our government. But focusing as they do on dollars and cents, they offer an important window into the economic status that Native American communities and tribes might enjoy today if the U.S. government lived up to its legal and moral obligations.

Meanwhile, the growing diversity spurred by new immigrant communities adds to the complexity of contemporary poverty. Asian American communities, for example, are culturally, linguistically, and geographically diverse, and they span a particularly broad socioeconomic spectrum.

Census figures from 2000 show that while one-third of Asian American families have annual incomes of \$75,000 or more, one-fifth have incomes of less than \$25,000. While the Asian American poverty rate mirrored that of the country as a whole, Southeast Asian communities reflected far higher levels. Among men experienced the highest poverty level (40.3 percent) of any racial group in the nation.

RACE AND PUBLIC ATTITUDES

Americans’ complex attitudes and emotions about race are crucial to understanding the public discourse about poverty and the public’s will to address it. Researchers such as Martin Gilens and Herman Gray have repeatedly found that the mainstream media depict poor people as people of color—primarily African Americans—at rates far higher than their actual representation in the population. And that depiction, the research finds, interacts with societal biases to erode support for antipoverty programs that could reach all poor people.

Gilens found, for instance, that while blacks represented only 29 percent of poor Americans at the time he did his research, 65 percent of poor Americans shown on television news were black. In a more detailed analysis of TV newsmagazines in particular, Gilens found a generally unflattering framing of the poor, but the presentation of poor African Americans was more negative still. The most “sympathetic” subgroups of the poor—such as the working poor and the elderly—were underrepresented on these shows, while unemployed working-age adults were overrepresented. And those disparities were greater for African Americans than for others, creating an even more unflattering (and inaccurate) picture of the black poor.

Gray similarly found that poor African Americans were depicted as especially dysfunctional and undeserving of assistance, with an emphasis on violence, poor choices, and dependency. As Gray notes, “The black underclass appears as a menace and a source of social disorganization in news accounts of black urban crime, gang violence, drug use, teenage pregnancy, riots, homelessness,

and general aimlessness. In news accounts ... poor blacks (and Hispanics) signify a social menace that must be contained.”

Research also shows that Americans are more likely to blame the plight of poverty on poor people themselves, and less likely to support antipoverty efforts, when they perceive that the people needing help are black. These racial effects are especially pronounced when the poor person in the story is a black single mother. In one study, more than twice the number of respondents supported individual solutions (like the one that says poor people “should get a job”) over societal solutions (such as increased education or social services) when the single mother was black.

This research should not be surprising. Ronald Reagan, among others, effectively used the “racialized” mental image of the African American “welfare queen” to undermine support for antipoverty efforts. And the media face of welfare recipients has long been a black one, despite the fact that African Americans have represented a minority of the welfare population. But this research also makes clear that unpacking and disputing racial stereotypes is important to rebuilding a shared sense of responsibility for reducing poverty in all of our communities.

REMOVING RACIAL BARRIERS

We cannot hope to address poverty in a meaningful or lasting way without addressing race-based barriers to opportunity. The most effective solutions will take on these challenges together.

That means, for example, job-training programs that prepare low-income workers for a globalized economy, combined with antidiscrimination enforcement that ensures equal access to those programs and the jobs to which they lead. Similarly, strengthening the right to organize is important in helping low-wage workers to move out of poverty, but it must be combined with civil-rights efforts that root out the racial exclusion that has sometimes infected union locals. And it means combining comprehensive immigration reform that offers newcomers a pathway to citizenship with living wages and labor protections that root out exploitation and discourage racial hierarchy.

Another crucial step is reducing financial barriers to college by increasing the share of need-based grants over student loans and better coordinating private-sector scholarship aid—for example, funds for federal Pell Grants should be at least double current levels. But colleges should also retain the flexibility to

Don't Blame Immigrants For Poverty Wages

The remedy is wage protections, worker rights, and better education and training for both immigrants and native-born workers.

BY MARTA TIENDA

OUR LOVE-HATE RELATIONSHIP WITH foreign-born workers has once again taken center stage in the national drama over immigration, only now it's set against a backdrop of heightened concerns over national security and an unprecedented geographic dispersal of the foreign-born. Legal as well as undocumented immigrants are widely blamed for displacing U.S. workers and driving down wages.

Yet even as vigilante groups organize to patrol the U.S.-Mexico border, and even as local ordinances restricting employment, housing, and services for undocumented workers proliferate, millions of unskilled foreign-born workers secure jobs in U.S. construction, hospitality and extraction industries, and miscellaneous dwelling-repair and domestic services—jobs that American employers

have a hard time filling with native-born workers. The Migration Policy Institute reports that about 14 percent of U.S. workers today are foreign-born—a total of 20 million, of which 7 million, or 5 percent of the total labor force, are estimated to be unauthorized, according to the Pew Hispanic Center. Immigrants filled half of all new U.S. jobs created during the 1990s, and at least 60 percent since 2000, which further demonstrates our growing reliance on foreign labor.

If experts disagree about the extent of labor-market competition between foreign- and native-born workers, there is general consensus that immigrants largely complement the skills of domestic workers, with the possible exception of high-school dropouts. About one in five low-wage workers today are foreign-born,

as are roughly 40 percent of workers with less than a high-school education. This means that fully 60 percent of low-skill workers are made in America. Their declining fortunes may be aggravated modestly by unskilled immigration, but global competition—through trade and advances in technology—are the main culprits. Still, immigrants serve as scapegoats for the plight of less-educated native workers because, unlike macro-economic forces, they can be identified—and because millions lack legal status, and therefore rights. Thousands of employers take advantage of this status handicap, but it can be remedied if immigrants are allowed a pathway to citizenship.

For their long hours of hard work at difficult and often dangerous jobs, legal immigrants average \$700 weekly, compared with \$930 for naturalized citizens, and a meager \$350 for recently arrived undocumented immigrants, according to recent estimates by the Pew Hispanic Center. Unauthorized migrants who have lived in the United States for five years or more reap a bonus for U.S. work experience, averaging \$480 per week. The unstable nature of the jobs that many unskilled immigrants hold makes it difficult for studies to estimate annual earnings, but

consider racial and socioeconomic background as two factors among many, in order to promote a diverse student body (as well as diverse workers and leaders once these students graduate). And Congress should pass the DREAM Act, which would clear the path to a college degree and legal immigration status for many undocumented students who've shown academic promise and the desire to contribute to our country.

Lack of access to affordable, quality health care is a major stress on low-income families, contributing to half of the nation's personal bankruptcies. Guaranteed health care for all is critical, and it must be combined with protections against poor quality and unequal access that, research shows, affect people of color irrespective of their insurance status.

Finally, we must begin planning for opportunity in the way we design metropolitan regions, transportation systems, housing, hospitals, and schools. That means, for example, creating incentives for mixed-income neighborhoods that are well-publicized and truly open to people of all races and backgrounds.

A particularly promising approach involves requiring an "opportunity impact statement" when public funds are to be

used for development projects. The statement would explain, for example, whether a new highway will connect low-income communities to good jobs and schools, or serve only affluent communities. It would detail where and how job opportunities would flow from the project, and whether different communities would share the burden of environmental and other effects (rather than having the project reinforce traditional patterns of inequality). It would measure not only a project's expected effect on poverty but on opportunity for all.

When we think about race and poverty in terms of the shared values and linked fate of our people, our approach to politics as well as policy begins to change. Instead of balancing a list of constituencies and identity groups, our task becomes one of moving forward together as a diverse but cohesive society, addressing through unity the forces that have historically divided us. **TAP**

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an optimistic scenario of 50 weeks at the average wage guarantees below-poverty annual incomes: \$17,500 to \$24,000 for recent and established undocumented immigrants, compared with \$46,000 for naturalized immigrants.

These economic disparities bear a key policy lesson and suggest a straightforward remedy that must be factored into legislation crafted to revamp the U.S. immigration system and realign it with basic principles of a liberal democracy. First, legal status profoundly affects the economic and social mobility of millions of foreign-born workers. The Immigration and Reform Control Act of 1986 and its amnesty program provided incentives for undocumented workers to upgrade their skills and eliminated the wage penalty for illegal status. Using data from the last legalization program, George Borjas of Harvard's Kennedy School and I estimated that legal immigrants averaged 30 percent higher earnings than their undocumented

counterparts from the same regional origin; economists Sherrie Kossoudji and Deborah Cobb-Clark calculated the wage penalty for being unauthorized during the 1980s at 14 percent to 24 percent, and the benefit of legalization around 6 percent.

With 7 million workers eligible for status adjustment today, this represents a formidable economic stimulus, which can also produce significant multiplier effects through consumption.

Second, our need for foreign-born workers is not likely to abate anytime soon, given irreversible trends in population aging. This is precisely why important sectors, especially in services, have turned to low-skill immigrant workers to fill persistent vacancies. The remedy for low wages in these sectors is not to scapegoat immigrants, but to restore worker bargaining rights and wage protections for immigrant and native workers alike. That unskilled immigrants compete with U.S.-born high-school dropouts in

some labor markets hardly warrants crafting immigration policy around the plight of our low-educated workers. A more enlightened response, and one that could also help strengthen the U.S. economy generally, would focus on upgrading skills of all workers, native- and foreign-born alike, as a hedge against the intensifying headwinds of global competition. Because immigrants add to the U.S. economy in myriad ways—through high rates of labor-force activity, through job creation, through consumption, and through scientific innovation—human capital investment is the soundest antipoverty policy. For immigrants, it has the added advantage of promoting civic integration. Equalizing labor rights by creating a pathway to citizenship for those already working in the United States is the necessary first step in this direction. We ignore this opportunity to secure our future at the peril of losing our status as the world's leading economy. **TAP**

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THE BIG DEBATES

False Choices on Poverty

Why we must address both economics and values

BY DAVID CALLAHAN

FROM THE 1970S THROUGH THE MID-1990s, poverty policy was among the nastiest battlefields in the national culture war. Left and right slugged it out over why people were poor and how (or whether) to help them. Conservatives generally enjoyed the upper hand in these debates by focusing on individual-level causes of poverty, like family breakdown, drug addiction, and poor work habits—pathologies said to be enabled by government largesse. This story line struck a chord with the American public, helping ensure the demise of the federal welfare entitlement and the introduction of strict work requirements in 1996.

But since then, a structural understanding of poverty has come back in vogue, fueled by more awareness of globalization and dead-end jobs. Popular books like Barbara Ehrenreich's *Nickel and Dimed* and Beth Shulman's *The Betrayal of Work* have drawn a fresh picture of the poor—as mostly hardworking Americans who can't make ends meet through no fault of their own.

The two dominant, differing explanations of poverty—individual versus systemic—seem to forever define the national debate over social policy. And proponents of one view or the other seem forever loath to cede even the slightest ground. For many progressives, talk of personal responsibility amounts to blaming the victim and letting a low-wage Wal-Mart economy off the hook. For conservatives, there is still too much coddling by the welfare state; the story is all about personal values, and, if anything, America should get even tougher on the poor.

This ideological stalemate is typical of why, as the columnist E.J. Dionne once wrote, “Americans hate politics.” To ordinary people, both sides in the poverty

debate often seem in denial about obvious truths. And that sentiment is exactly correct: Individual and systemic factors *both* explain poverty. Yes, capitalism produces large numbers of economic losers, and especially lately, as the left suggests. But it is also clear that personal agency and cultural norms can influence economic success, as the right suggests. It makes plenty of sense to debate which cause of poverty is most important. What doesn't make sense is to wholly dismiss one explanation in favor of another.

Looking ahead, the winning ideas for reducing poverty will change individual attitudes *and* create more widely shared prosperity. Is this so complicated? Libertarians and evangelicals are fixated on personal responsibility—to the point of being woefully naive about the realities of our global age. But progressives and moderates should be capable of clearer thinking, too. We all have every reason to embrace a nuanced understanding of poverty, as well as to move such common sense to the center of public policy.

EMPOWERMENT MATTERS

Right wingers like Charles Murray did not invent the idea that individual or cultural factors can determine success. Nor was it Jack Kemp who first said that personal empowerment was a key to getting out of poverty. Liberals can claim a large share of credit for both these notions. From the earliest days of the labor movement, progressives championed the virtuous ideals of self-improvement and hard work. Many of the signature social policies of the 20th century—like Pell Grants and the GI Bill—sought to reward personal striving, not give handouts.

A basic premise of modern psychology (also largely a liberal enterprise) is

that a person's success is not governed by material conditions alone. Family background, cultural influences, mental health—each can affect how well we cope with the challenges of life. All of us know people from affluent backgrounds who have slid downward economically because of personal problems—overly indulgent parents, an expensive divorce, a bad drug habit, untreated depression, or whatnot. We also know people who have risen far above their origins through willpower and smart choices.

Studies on social mobility find that class status at birth largely determines life chances, and that this correlation has actually intensified in recent years. This reality favors the liberal side of the argument. But the link is not ironclad; there are plenty of exceptions. As the sociologist Dalton Conley showed in his book *The Pecking Order*, large income gaps often exist among siblings raised in the same household. More broadly, a growing body of research underscores the pivotal role of family structure in determining household earnings. Men and women can both reduce their chances of being poor by delaying parenthood, by not parenting children out of wedlock, and by getting married and staying married—just like they can reduce their chances of being poor by graduating from high school, staying sober, and setting the alarm every night.

All of this is easier said than done, of course—especially if you've grown up against a backdrop of economic and social despair, in neighborhoods with high unemployment, rampant crime, violent husbands, and terrible schools. It is foolish to suggest that *everyone* can triumph against high odds if he or she just exercises personal responsibility. But it is equally foolish to suggest that *no one* can beat the odds, or to ignore the role of individual agency in doing so.

Both sides should agree on one thing, even if they argue about the details: the idea that poor people can empower themselves and change their own lives. Long before George W. Bush picked up on the empowerment mantra of Jack Kemp and others, arguing in a 1999 speech that “real change in our culture comes from

the bottom up, not the top down,” activist groups like the Association of Community Organizations for Reform Now (ACORN) and the Industrial Areas Foundation were saying the same thing—and acting on it. Similarly, early civil-rights leaders stressed self-respect and personal strength as keys to social change. The first critiques of the old welfare state as disempowering and paternalistic came from liberals, not conservatives.

A strange irony of the poverty wars is that conservatives brought empowerment into the political mainstream while liberals often cast the poor as the helpless victims. All the more ironic is that the left ceded the empowerment mantle even as thousands of community groups and faith organizations forged new antipoverty strategies—such as community-development corporations and microcredit lending—that strongly embrace an ethos of self-help, trying to change attitudes as well as opportunities.

A NEW SYNTHESIS

The poverty debate needs to come full circle, getting beyond the tug-of-war between structuralist liberals and moralistic conservatives. Poverty is a complex phenomenon, as the journalist David Shipler so well described it in his nuanced 2004 book, *The Working Poor*. Pushing individuals to make better life choices and feel empowered won't succeed by itself in radically reducing poverty. Nor will economic and social policy reforms. If America had to choose between these two approaches, I'd vote for a structural approach. Much poverty—in particular among the elderly, the disabled, and low-wage workers—could be eliminated with better government policies.

But we don't have to choose. Instead, as Shipler suggested, we can and should forge an antipoverty strategy that “recognizes both the society's obligation through government and business, and the individual's obligation through labor and family.” What would this synthesis mean in practice? Certainly a substantial expansion of government—by creating a system of universal health insurance, raising Supplemental Security Insurance income payments, and ensuring access to

early-childhood education, to name just three much-needed steps. A true societal commitment to reducing poverty would also mean concessions from business, in the form of both a higher minimum wage and a broad acceptance of labor unions, and other policy changes that would redistribute profits downward and outward.

As for pushing individuals to meet their obligations, such an agenda would include new and existing efforts to reduce teen pregnancy, obligate fathers to support their children, demand work from all who are able, help troubled married couples resolve their differences, teach financial literacy, and encourage savings.

If a synthesis of personal and mutual responsibility sounds familiar, that's because it is: Bill Clinton articulated such a vision when he ran for president in 1992. Clinton never achieved the centerpiece of his “New Covenant”—univer-

sal health insurance—and he went on to sign a badly flawed welfare-reform law. But he did achieve a historic expansion of the Earned Income Tax Credit, now the largest antipoverty program for the non-elderly, as well as a long economic boom that raised incomes for the poorest fifth of U.S. households. As a result, poverty rates for certain groups, such as children and African Americans, fell sharply in the late 1990s for the first time in decades. Clinton's vision combined personal and social explanations and strategies. It resonated with voters. And a bolder version of this approach could rally liberals and conservatives alike to help America to end poverty at last. **TAP**

David Callahan is research director and senior fellow at Dēmos, which he co-founded in 1999, and author of six books, most recently, The Moral Center.

Using Carrots and Sticks

Welfare reform rewarded work and discouraged self-defeating behavior. What else needs to be done?

BY RON HASKINS AND ISABEL SAWHILL

IN THE LAST DECADE, WE HAVE SEEN that an effective approach to reducing poverty requires changes in personal behavior as well as government support. Further, we have learned that by judiciously applying policies that demand and then reward good behavior—what might be called carrots-and-sticks policies—we can induce and maintain the behavior that leads to reduced poverty. Reviewing the record of the past decade suggests the principles that should guide future efforts.

During the 1960s, child poverty fell by more than half, to 14 percent. In the subsequent three decades, however, child poverty drifted upward in an uneven pattern, never again reaching the low level achieved in 1969. This is a surprising and discouraging record.

A major cause of the huge decline in

poverty of the 1960s was an economy that grew 35 percent in per capita gross domestic product, giving rise to President Kennedy's famous observation that “a rising tide lifts all boats.” Although the American economy has grown at a more stately pace since the 1960s, each subsequent decade has nonetheless seen substantial growth of more than 20 percent in per capita GDP—plenty of raw material, one would think, to continue the poverty reduction that distinguished the '60s. But the 24 percent GDP growth of the 1970s saw poverty fall by a mere 5 percent, and the 23 percent GDP growth of the '80s saw poverty actually *increase* by 12 percent. Clearly, a rising tide was not lifting all boats. The second half of the '90s, however, once again saw strong economic growth accompanied by the fastest and deepest decline in child poverty since the '60s.

WHY DID POVERTY DECLINE?

Three trends tell us a lot about the causes of poverty and show us why a growing economy has not been more effective in reducing it. First, as the left chart shows, growth of wages at the bottom of the distribution (the 10th percentile) declined during the 1980s and the first half of the '90s, rising again only after 1996.

High Employment. Stagnant or falling wages at the bottom of the distribution make reducing poverty difficult. By contrast, tight labor markets, as signaled by low unemployment rates, contribute to both rising wages and falling poverty rates.

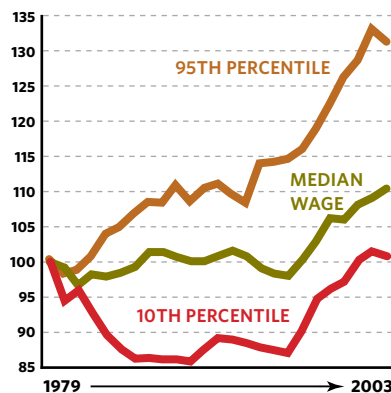
Consider the record: Wages rose and poverty fell during the 1960s, when unemployment averaged 4.8 percent and fell as low as 3.5 percent. But as wages fell or were stagnant during the '70s and '80s, when unemployment skyrocketed to average 6.2 percent and 7.3 percent, respectively, poverty rose or was stagnant. Only when tight labor markets returned after the mid-'90s—when unemployment fell to an average of 4.8 percent between 1995 and 2000—did wages once again rise and poverty fall. Mere economic growth will not necessarily lead to reduced poverty rates. Apparently, tight labor markets accompanied by rising wages are required to effectively fight poverty.

Family Factors. A second factor putting substantial upward pressure on poverty was changes in family composition. The poverty rate for mother-headed families is usually four or five times the rate for married-couple families. So, other things being equal, any rise in the share of children living in female-headed families will increase poverty.

Beginning in the 1960s, Americans perfected every known method of casting children into single-parent families. Marriage rates fell, divorce rates increased until the 1980s, and non-marital birth rates exploded until a third of all babies (and nearly 70 percent of black babies) were born outside marriage. As a result, between 1970 and 2004, the percentage of children living in a female-headed family increased from 12 percent to 28 percent. It's hard to fight poverty when more and more children are in families of the type that are most likely to be poor.

TREND IN REAL HOURLY WAGES

... at selected points in the U.S. wage distribution, 1979–2003



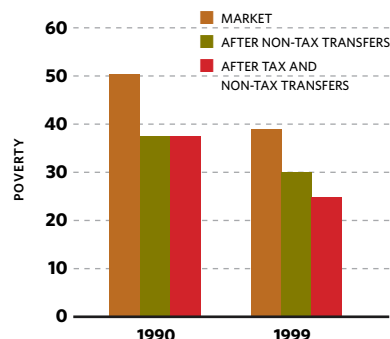
SOURCE: ECONOMIC POLICY INSTITUTE (2005)

Education. Poor educational achievement is a third reason poverty has been stagnant. Education has always been important in accounting for economic success, but most analysts agree that recent decades—because of globalization, technological change, and trade—have seen increased payoff to education. One of the most important changes in the American economy for those interested in fighting poverty is the decline of high-paying jobs suited to workers with a high-school education or less. Workers without a high-school diploma are twice as likely to be poor as those with one, and three times as likely to be poor as workers with some college education. The Educational Testing Service estimates that nearly one-third of students drop out of school before graduating. Moreover, despite waves of educational reform, the reading and math achievement of students from poor and low-income families has been virtually flat for three decades.

So there are at least three raging rivers against which those who would fight poverty must struggle: low wages, the rise of single-parent families, and lousy education. To offset these currents, the nation has spent an increasing amount of money on government programs to fight poverty. Between 1968 and 2004, the total of inflation-adjusted federal and state spending on means-tested programs (those that specify an income level above which individuals or families cannot qualify for ben-

COMPARATIVE POVERTY RATES

Poverty rates for children living with unmarried mothers before and after government programs



SOURCE: HOUSE WAYS AND MEANS COMMITTEE, 2004 GREEN BOOK

efits) increased from \$89 billion to \$585 billion—all without reducing poverty below its late-1960s level.

The net impact of these factors—economic growth, wages, family composition, education, and government spending—is high child-poverty rates. It is especially notable that the three factors over which individuals have full or partial control—work, family composition, and education—were either stable or moved in the wrong direction. Until recently, millions of Americans failed to work, many languishing on welfare. Millions also decided to have children outside marriage, to avoid marriage, or to divorce. And millions of young people refused to apply themselves during their school years, eventually either dropping out of school or graduating with low reading and math skills.

THE ROLE OF WELFARE REFORM

Yet the mid-1990s saw a dramatic example of how public policy can both help individuals improve their choices and reward them for doing so, namely the 1996 welfare-reform law, passed on a huge bipartisan vote in Congress and signed by Democratic President Bill Clinton. Perhaps the law's single most notable feature was that it made cash welfare contingent on individuals working or preparing for work. Individuals who did not meet work requirements had their cash benefit reduced, and in most states even terminated.

In addition, the law limited federal benefit receipt to five years for any given parent. The work requirements, reduction of benefits for those who did not work, and five-year time limit all served as sticks that encouraged or forced parents on welfare to work. Much to everyone's surprise, mothers went to work by the hundreds of thousands, and the welfare rolls declined by more than 60 percent, far more than ever before. But most important, poverty among children in single-parent families fell by 30 percent, reaching its lowest level ever. Not surprisingly, given the high proportion of black children living in female-headed families, black child poverty also reached its lowest level ever.

RAISING REWARDS OF WORK

Government-imposed work requirements were an important part of this welcome decline in child poverty. But work is only half the picture. Most welfare mothers, who typically can qualify for jobs paying about \$8 per hour, were not able to earn enough money to bring their families out of poverty. Realizing that financial payoffs to work were an important part of helping low-income families, federal and state governments, over a period of more than two decades, created and expanded programs specifically designed to help low-income working families. These included Medicaid health insurance, child care, food stamps, and above all, the Earned Income Tax Credit (EITC), a taxpayer-provided wage subsidy that could give working parents up to \$4,000 in cash (in 1996).

Census Bureau data for children living with their single mothers, present a clear picture of why this new system of earnings from increased work effort supplemented by benefits from work-support programs led to such a dramatic reduction in child poverty. In the second chart, the bar graphs on the left are for 1990; those on the right are for 1999. The first graph in each set shows the poverty rate that characterized these families based only on their market income before any government payments—poverty in the state of nature, so to speak. Here it can be seen that increased work

by mothers between 1990 and '99 led to a huge 11 percentage point reduction in poverty. When government cash and in-kind benefits other than those delivered through the tax code are added, poverty falls 13 percentage points in 1990. But poverty also falls by 9 percentage points in 1999, demonstrating that working families are receiving work-support benefits to supplement their earnings to further reduce market poverty. Adding tax benefits, primarily the EITC, does not reduce poverty at all in 1990, but reduces it another 5 percentage points in 1999. The combination of work and work supports reduces poverty a full 12 percentage points—or by about 4.5 million people—more in 1999 than in 1990. It was the stick of welfare reform that induced mothers to leave welfare for work; it was the carrot of work-support benefits that supplemented the mothers' earnings and led to substantial reductions in poverty.

There are lots of good ideas for further reductions in poverty—improving

and expanding preschool education; improving the public schools, especially for students from poor families; reducing nonmarital births; increasing marriage rates; encouraging savings; and helping poor young men improve their earnings—but the decline of poverty among female-headed families in the 1990s illustrates the principles that should guide the nation's efforts. The first is that individuals must change their behavior—or the nation will not be able to substantially reduce poverty. The second is that policy-makers should seek out policies that encourage or demand responsible behavior, and then use public dollars to reward it. **TAP**

Ron Haskins, a developmental psychologist, is a senior fellow and co-director of the Center on Children and Families at the Brookings Institution. Isabel Sawhill, an economist, is a senior fellow and co-director of the Center on Children and Families at the Brookings Institution.

Faith, Charity, and Justice

There's a role for faith-based groups in battling poverty, but we need power along with glory.

BY ERNESTO CORTÉS JR.

IN HER BOOK *MEN IN DARK TIMES*, Hannah Arendt recounts a story in which Pope John XXIII asked one of the Vatican gardeners, "How are things going?" The worker replied, "Badly, badly, Your Eminence," telling Pope John what he earned and how many family members he had to support. "We'll have to do something about this," said the Pope, only to be told later that raising the wages would cut the funds available for charity. The Pope's response: "Then we'll have to cut them. For ... justice comes before charity."

I was always taught that what is owed in justice should never be given in charity. Please don't misunderstand me: I

think charity is sometimes required. People need to eat, and children need shoes and school supplies—today. But charity only addresses the immediate needs. It does not lead to sustainable change, to self-sufficiency for families, to dignity in the workplace, or to justice. Charity does not reduce inequality. It does not lead to justice.

When Ben Bernanke, chairman of the Federal Reserve Board, gives a speech in Omaha, Nebraska, about the danger that rising inequality poses to market capitalism, we know our nation has gone well past the need for churches to organize food pantries. If Chairman Bernanke is concerned about inequality, then banks

(and I'm not talking about food banks) need to be concerned about inequality and what it means for our national economy in the global marketplace. This isn't about charity; it's about economics. If we're to compete, we can't sacrifice the talents of a single citizen.

However, given the massive deficits generated by the Bush administration's tax cuts, the financial markets are unlikely to allow any Congress—Democrat or Republican—to come to the rescue in any meaningful way anytime soon. To change that reality, we need to create powerful local and statewide constituencies for both programs at the community level and national policy changes to make possible the resurgence of a genuine middle class.

AS JUST ONE EXAMPLE, CONSIDER THE more than 10,000 people who have been trained and placed in high-wage jobs over the last decade through the labor-market intermediary institutions organized by the constituencies of the Southwest Industrial Areas Foundation (IAF). On average, the wages of these graduates are more than three times their earnings prior to entering training (increasing their average annual wages from \$9,960 to \$31,975). Perhaps more importantly, the jobs they take after training include benefits and are connected to a career path, advantages rarely associated with positions paying less than \$10,000 a year. Because participants are overwhelmingly the heads of young families, their increased earnings benefit at least two generations, and will accumulate over the 34 years, on average, remaining in their projected working life. That's not charity; that's an investment.

These labor-market intermediaries did not come about because the public sector decided to reform itself, nor because the private sector decided to invest in the training and development of its own workforce. Nor did they come about because of the charity that some "faith-based" antipoverty efforts advocate.

These innovative labor strategies came to be because the broad-based organizations of the Southwest Industrial Areas Foundation went about the business of developing the capacity of families to

have conversations with one another about issues of work, education, and health care; to forge relationships of trust that cross lines of race and class; and to move into action in the political arena.

Notwithstanding the importance of feeding the hungry and clothing the naked as we are challenged to do in Matthew 25, the church has a far more prophetic and transformative role to play in the larger social order today. Historically the role of congregation and church has been to create communities of obligation, participation, and transformation—of *konia* (the formation of community and fellow feeling through participation).

Today that challenge has been accepted by the churches, synagogues, and mosques that are a part of Communities Organized for Public Service in San Antonio; by Valley Interfaith in the lower Rio Grande Valley of Texas; by the Pima County Interfaith Council in Tucson; by One-LA in Los Angeles; by The Metropolitan Organization in Houston; and by all of their sister organizations throughout the Southwest. Thanks to these citizen leadership development efforts, they have been able to fight for job-training programs, water and sewer infrastructure, funding for public schools and parks and playgrounds, and other issues of concern to families and communities.

THE IAF'S IRON RULE HOLDS: NEVER do for someone what he or she can do for him or herself. This credo does not rationalize social Darwinism, a philosophy that cuts away at the safety net and moves us toward a society of every man for himself—and women and children last. Rather, the Iron Rule challenges us to create institutions that enable people to develop the capacity for effective advocacy and agency *in their own voice* and challenge the established order so that justice can pour forth.

The challenge of our faith traditions is to understand that our moral universe cannot include only those who look like us, talk like us, or live like us. When our institutions of faith are at their best, they help people get inside one another's moral universe by sharing stories and experiences—and by so doing, beginning to

develop political friendships, or *philia*.

Developing *philia* enables people to understand that developing and sustaining their own self-interest requires them to be concerned with the self-interest of others. This doesn't happen naturally, but only through institutions that develop the relational context in which people begin to understand that what's needed is a public-education system that enables their children and other people's children to succeed alike.

THOSE WHO WOULD INVOKE THE CHURCH as a reason for the government to abandon its responsibility to fight poverty and inequality understand neither Ezekiel nor Leviticus. In Leviticus, we are called to strengthen the hand of the poor, and in Ezekiel, the men of Sodom were condemned when they refused to do so. Using faith traditions to justify a mean-spirited strategy of abandoning people to their own private resources is neither charity nor justice, and it is a practice that has no place in Judaism, Christianity, Islam, or any of the world's faith traditions.

The documents of Vatican II consistently remind us of the importance of subsidiarity—the notion that decisions should be made at the most local level of capability in a society. This concept is close to the Tocquevillian understanding of the importance of intermediary institutions for effective democratic participation. We cannot afford to allow the prophetic visions of Judaism, Christianity, and Islam to be co-opted by the ideology of a radical consumeristic individualism. While it is important for congregations to collaborate with and challenge the state to bring about a just society, our communities of faith must maintain boundaries and distance from the government. It is imperative to challenge the established concentrations of power and wealth so that we can all have shared prosperity, and shalom, and justice at the gates of the city. **TAP**

Ernesto Cortés Jr. is the Southwest regional director of the Industrial Areas Foundation, the oldest and widest-reaching network of broad-based organizations in the United States.



POVERTY AND EDUCATION

Is Education the Cure for Poverty?

Partly, but schools are just one factor among many.

BY JARED BERNSTEIN

ECONOMISTS MAY DISAGREE A LOT on policy, but we all agree on the “education premium”—the earnings boost associated with more education. But what role can education play in a realistic antipoverty policy agenda? And what are the limits of that role?

First, it depends on whether you’re talking about children or adults, and schooling versus job training. And second, the extent to which education is rewarded depends on what else is going on in the economy.

As Greg J. Duncan’s companion piece (page A20) suggests, investment in early childhood has immense benefits. And at the other end of the schooling spectrum, college graduates’ wage advantage over those with only a high-school diploma went up dramatically in the 1980s and early ’90s. But the premium that high-school graduates enjoy over dropouts has been flat for decades. In 1973, high-school grads earned about 15.7 percent more per hour than dropouts, 15.9 percent in 1989, 16.1 percent in 2000, and 15.5 percent last year. And for adult workers, the historical record for job-training programs is pretty dismal, though more recent initiatives—with their focus on more carefully targeting training for local labor markets—show much more promise.

Nobody doubts that a better-educated workforce is more likely to enjoy higher earnings. But education by itself is a necessary insufficient antipoverty tool. Yes, poor people absolutely need more education and skill training, but they also need an economic context wherein they can realize the economic returns from their improved human capital. Over the past few decades, the set of institutions

and norms that historically maintained the link between skills and incomes have been diminished, particularly for non-college-educated workers. Restoring their strength and status is essential if we want the poor to reap the benefits they deserve from educational advancement.

WHAT RESEARCH SHOWS

Julie Strawn of the Center for Law and Social Policy, reviewing an extensive sample of basic education and training programs, concluded that education alone is much less successful in raising employment and earnings prospects than education combined with a strategy of focused job training (with an eye on local demand), “soft skills,” and holding out for quality jobs.

One study found that a year of schooling raised the earnings of welfare recipients by 7 percent, the conventional labor economics finding. But given that many of these workers entered the job market in the \$6- to \$8-an-hour range back in the 1990s, you’re talking about moving families closer to the poverty line, not pushing them significantly above it.

Strawn reports that when education is combined with multidimensional job training, readiness, and a quality job search, the returns more than double. One Portland, Oregon, program resulted in a 25 percent increase in earnings, a 21 percent increase in employment, and a 22 percent reduction of time spent on welfare (all compared with a control group that didn’t get the services).

This finding makes intuitive sense: Programs that combine general education with training specific to both the individual and his or her local labor mar-

ket work better than ones that fail to combine these activities. (They’re also more expensive, but you get what you pay for.) Yet to get to the nub of the strengths and limits of education and poverty reduction, we need to go back to first principles and think about how they interact with the realities of the political economy.

Education is only a partial cure for poverty because of all the other recent changes in the labor market. At least half of the inequality increase has taken place within groups of comparably educated people, and since 2000 that proportion has been increasing. Income-inequality data show that the concentration of income in 2005 is the highest it has been since 1929. Yet research that Lawrence Mishel and I conducted shows that since the late 1990s, the college wage premium has been flat. In real terms, college wages were up less than 2 percent from 2000 to 2006. Even among the highly educated, only some are getting ahead, and lots aren’t.

In short, we are not living in a meritocracy, where we can reliably count on people being fairly rewarded for their improved skills. So we need additional mechanisms in place to nudge the invisible hand toward outcomes that are more meritocratic and just.

SKILL DEMANDS FOR THE WORKING POOR

Education is a supply-side policy; it improves the quality of workers, not the quality or the quantity of jobs. A danger of overreliance on education in the poverty debate is that skilled workers end up all dressed up with nowhere nice to go.

Some economists contend that faster rates of technological advance require ever more highly skilled workers, and that demand shifts lead to low wages for the low skilled. But our work at the Economic Policy Institute suggests that while technological changes have always been an important factor in the labor market, the rate of change now is no greater than in the recent past. Technological change is one of the reasons we’ve doubled the share of college grads but continued to see their unemployment rates in the 2 percent range—we produce and absorb a lot of college grads.

Our economy, however, is still very

much structured to produce lots of low-wage jobs. In fact, according to the occupational projections by the Bureau of Labor Statistics, the low-wage sector of our economy will be the source of much job growth over the next decade. The American economy will continue to employ significant numbers of retail salespersons, waiters and waitresses, food-prep workers, home health aides, maids and housekeepers, etc. Of the 30 occupations adding the most jobs to our economy, those requiring the least training make up half of the total.

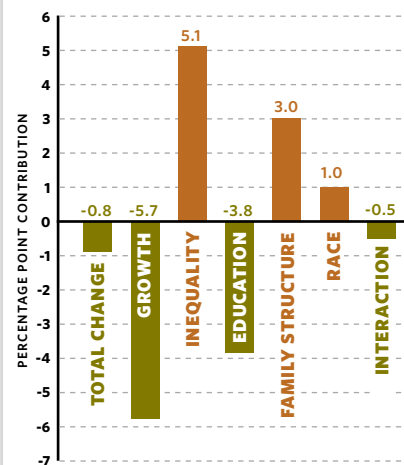
The question, thus, is not whether jobs for those with only high-school degrees or even some college will exist or be plentiful in our future (they almost certainly will be); the question is whether the quality of these jobs will help reduce or reinforce working poverty.

In our most recent version of “The State of Working America,” we borrow a technique from economists Sheldon Danziger and Peter Gottschalk for analyzing the roles played by multiple determinants of poverty. Their method parses out the roles of race, family structure, economic growth, and inequality, and we add the role of education.

As the chart on the right shows, family poverty rates did not fall much between 1969 and 2000, because major factors were offsetting one another. Improved education lowered family poverty by almost 4 percentage points, a considerable effect. But economic growth and inequality had considerably larger effects. Growth in the overall economy lowered poverty rates by 5.7 points, while inequality raised it by 5.1 points. Family structure added 3 points to family

POVERTY TRENDS: MORE THAN JUST EDUCATION

Factors driving changes in family poverty rates, 1969–2000



SOURCE: STATE OF WORKING AMERICA, 2006/07

Closing College Doors

How higher education sacrifices opportunity to privilege

BY KATI HAYCOCK

American higher education is no longer the avenue of intergenerational upward mobility that it once was. Instead of serving as an agent of opportunity, much of higher education has become simply another agent of stratification.

Two statistics are especially alarming. *Top-achieving* high-school graduates from low-income families now head immediately off to college at the same rate as the *lowest-achieving* students from high-income families. By age 24, 75 percent of young people from families earning more than \$80,000 a year earn a bachelor's degree, while the corresponding figure for those from families earning less than \$25,000 a year is 9 percent.

When asked about this problem, most college leaders are quick to point fingers of blame elsewhere. They point at the federal government, for its waning commitment to student aid; at state governments, for declining support; and at high

schools—especially those serving poor and minority students—for producing too few college-qualified students.

These claims aren't all wrong. When Lyndon Johnson signed the law creating the first federal student-aid program, he made a solemn promise to America's youth. "Tell them," he said, "that the leadership of your country believes it is the obligation of your nation to provide and permit and assist every child born in these borders to receive all the education that he can take." Over time, however, the federal government's principal aid program for low-income students—the Pell Grant—went from covering 75 percent of college costs in 1979 to only 33 percent in 2005, while federal spending on aid for higher-income students soared.

State governments, too, have shifted their priorities. Most states have never spent much on student aid, but what they do spend is increasingly going to students

without demonstrated need. And people who read the newspaper or pay attention to Bill Gates are well aware of the problems in American high schools.

What most people don't know, however, is that the colleges themselves are independent actors in the national drama of shrinking opportunity. Most colleges have considerable aid dollars of their own. Had college leaders wanted to, they could have used their aid to cushion low-income students from the effects of the shift in government aid and rising tuition costs. Instead, they chose to shift their aid to the more-affluent students who help their schools climb the college rankings.

In the last eight years, on average, four-year private colleges increased their aid to students from families making less than \$20,000 a year by 52 percent, to \$5,240. At the same time, however, they increased the average award to students from families with annual incomes above \$100,000 by 254 percent, to \$4,806. In 2003, the average institutional award for students from families earning between \$80,000 and 100,000 a year was actually \$1,200 more than the average award for students from the lowest-income families.

The pattern in four-year public colleges

poverty rates over these years, and race added 1 point.

Decompositions of this type are far from definitive; they tend to hold one factor constant and see how things change, then do the same for another factor, etc. But in this case, the results are demonstrative of the main point regarding education in the poverty debate: It's an important part of the story, but it's not the whole story, or even the most important part.

EDUCATION PLUS

Demand—the extent of overall growth, how taut the labor market is—matters, as does the extent and nature of inequality, as does the quality of jobs. In the late 1990s, poverty fell to historic lows for those with the lowest education levels, including African Americans and

single mothers. Did skills rain from the heavens? Did employers suddenly shed their advanced-skill requirements? Of course not. It was good old-fashioned full employment forcing employers to bid wages up to get—and keep—the workers they needed. And yes, this interacted with welfare reform and a significant expansion of work supports, like the Earned Income Tax Credit, subsidized health and child care, and the minimum-wage increase.

In fact, one could be forgiven for thinking that, except for some of the punitive aspects of welfare reform, we briefly got poverty reduction right during the late 1990s. The one-two punch of full employment and expanded work supports worked to meet the expanding labor supply with even faster growing labor demand, and the subsidies helped

to close part of the gap between what people earned and what they needed.

But notice how all of this is unwinding in the 2000s. Unemployment is low, but other indicators—such as labor-force participation and real wage trends—suggest we're not yet at full employment; there's been no expansion of work supports, and even some retrenchment of supports such as the State Children's Health Insurance Program and child care, policies clearly associated with helping the working poor get ahead. The outcome has been predictable and depressing, especially in contrast to the progress we made in the 1990s.

And if education is one key antipov-erty strategy, then programs demanding that beneficiaries “work first” often sacrifice the promise of increased returns to education and training on the altar

WHO'S GOING TO COLLEGE?

College attendance rates by income and achievement levels

ACHIEVEMENT LEVEL	LOW-INCOME	HIGH-INCOME
FIRST QUARTILE (LOW)	36%	77%
SECOND QUARTILE	50%	85%
THIRD QUARTILE	63%	90%
FOURTH QUARTILE (HIGH)	78%	97%

SOURCE: NELS: 88, SECOND (1992) AND THIRD FOLLOW-UP (1994); IN, USDOE, NCES CONDITION OF EDUCATION 1997 P.64

was no better. During the same eight-year period, the average institutional grant aid to students from families making less than \$20,000 a year increased by \$415 (50 percent), while the average for students from families who make more than \$100,000 a year increased by \$542 (227 percent).

Even the nation's flagship public universities—institutions with a special mission to educate the future business, political, and civic leaders in each state—are turning their backs on qualified low-income students. These institutions, typically the oldest and most-prestigious public universities in each state, have considerably more to spend on student aid than most other colleges do—more, in fact, than their students receive from federal

or state sources. Yet here, too, instead of staying focused on the students who need help the most, the flagship universities have shifted their resources to the more-affluent students who will help them enhance their own prestige.

Over the past eight years, these and other public research universities increased the average institutional grant aid to students from families in the lowest-income group by 29 percent. At the same time, the average for each student from families making more than \$100,000 a year increased by 186 percent. By 2003, the average award to a grant recipient from a family earning more than \$100,000 a year was higher (\$3,823) than the average award to a low-income recipient (\$3,691).

The cumulative effects of these shifts on students from families with annual incomes below \$40,000 are devastating. These students have been the least likely to be shielded from the rapid increases in college costs. Not surprisingly, their presence in four-year private colleges has plummeted, from 37 percent in 1995 to 27 percent in 2003. In four-year public colleges, their numbers dropped from 38 percent to 28 percent. And the situation at some institutions is much, much worse. At the University of Virginia, for example, low-income students comprise only 8 percent of undergraduates; at the University of Wisconsin, only 13 percent.

The saddest part of this—for me, anyway—is that too many of us sat silently as federal, state, and college officials helped fuel the relentless march of privilege in our country and hollowed out the promise that is America. Shame on us. **TAP**

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of take-any-job. This approach is not only stingy; it's also shortsighted, as it threatens to diminish the likelihood that those who want to "play by the rules" will realize their economic potential.

Helping the poor receive more education is part of the answer. Whatever their skill level, workers need a context where in they can be rewarded for their skills, where the benefits of the growth they help to create flow freely their way. This

means having a set of protections, institutions, regulations, and social norms in place to keep the greedy fingers of inequality from picking the pockets of the working poor. **TAP**

Jared Bernstein is the director of the Living Standards Program at the Economic Policy Institute, and the author of All Together Now: Common Sense for a Fair Economy.

High-Quality Preschool as Antipoverty

A child's early years are a fertile time to eliminate the intergenerational cycle of disadvantage.

BY GREG J. DUNCAN

NEW EVIDENCE ON BRAIN DEVELOPMENT during a child's early years makes it clear that early childhood should be a focus of increased policy attention. We now know that the basic architecture of the brain is constructed through an ongoing process that might be compared to the construction of a home: Beginning before birth, the brain's foundation is laid, with the neurological equivalent of the framing of rooms and the installation of the electrical and plumbing systems occurring in a predictable sequence that continues through early adulthood.

The brain's architecture is built over a succession of "sensitive periods," each of which involves the formation of specific circuits associated with particular abilities. Once a circuit is operational, it provides a foundation for the construction of later-developing circuits. A strong foundation in a child's early years helps promote lifelong achievement and positive behavior, while a weak foundation increases the chances of later problems. Nobel-laureate economist James Heckman describes this as "learning begets learning"—early mastery of a range of cognitive and social competencies improves the ability of children to learn

at later ages. Early interventions have the potential to improve life chances.

The early years also appear to be a sensitive period for the development of socio-emotional behaviors such as a child's ability to pay attention and to control emotions. These, too, have connections to the brain, as early emotional experiences become literally embedded in the architecture of infants' brains. Self-regulation can help make children eager learners in school, and may also encourage parents to engage them in learning activities in the home.

The quality of early-learning environments differs profoundly for rich and poor children. For example, kindergarteners at the top of the socioeconomic distribution are four times as likely as those at the bottom to have a computer in their home. They typically have three times as many books, are read to more often, watch far less television, and are more likely to visit museums or libraries. One study found that 3-year-olds in low-income families had half the vocabulary of their more affluent peers, which in turn could be explained by the lower quality and quantity of parental speech.

Differences in learning environments

contribute to large gaps in test scores, even among preschoolers. Numerous studies have compared the outcomes of preschool children from different socioeconomic backgrounds and racial or ethnic groups; what they've found are large differences in language and cognitive skills, not just at school entry but at age 3, and perhaps even as early as 1 year of age.

THE PROMISE OF EARLY EDUCATION

Rigorous evaluations of very intensive early-childhood programs prove that such programs can produce lasting improvements in the life chances of poor children. Recent research also suggests that even less-expensive Head Start and pre-kindergarten programs can boost early achievement significantly. (Head Start has been shown to improve children's long-term outcomes as well.) In contrast, the impacts of more typical preschool or day-care settings on achievement and behavior are more modest. Thus, not all early-childhood-education programs produce similar effects.

The well-known Perry Preschool program has demonstrated that intensive programs can indeed improve the life chances of disadvantaged children. In the 1960s, Perry provided one or two years of part-day educational services and home visits to low-income, low-IQ African American children ages 3 and 4 in Ypsilanti, Michigan. Perry's impacts on kindergarten IQ scores at school entry were impressive. Although these IQ effects faded out by third grade, the program produced lasting effects through age 40 on key adult outcomes such as employment, earnings, and arrests. At age 40, one-quarter fewer Perry adults were poor than the adults in the comparison group. Viewed from an economic perspective, the investment in Perry yielded a 17 percent annualized rate of return, most of which accrued to taxpayers in the form of higher tax receipts and lower crime costs, and some of which benefited the recipients directly in higher earnings.

The even more intensive Abecedarian program—which began in 1972 and served the children of low-income, mostly African American women from Chapel Hill, North Carolina—produced some-

what different but equally striking long-term impacts. For example, children who participated in Abecedarian were much more likely to attend college and to work in high-skill, better-paid jobs, and much less likely than comparable children to become teen parents. Despite the program's \$18,000 annual cost, the total economic value of Abecedarian's benefits far exceeded the program's costs.

PRE-K AND HEAD START ACHIEVEMENTS

Ideally, expensive programs like Perry and Abecedarian could be widely implemented, since their benefits substantially exceed their costs. But existing publicly funded early-childhood programs, though more modest, produce significant benefits as well. Several evaluations of state-initiated prekindergarten programs show impressive short-run impacts on children's academic skills. For example, a study of pre-K programs implemented in five states found that they improved vocabulary, print awareness, and math achievement. An evaluation of Tulsa, Oklahoma's pre-K program found even larger impacts. We do not yet know how long these will last, nor whether effects on behavior will rival those of the Perry and Abecedarian programs, but the initial results are promising.

Much more is known about the impacts of the Head Start program, which has a 40-year history. A recent experimental evaluation conducted for the Administration for Children and Families found positive short-term effects of program participation on pre-reading and -writing skills for 3- and 4-year olds, but not on advanced skills in these two outcome domains. Head Start participation also increased parent-reported literacy skills of children and improved the behavior of 3-year-olds.

How can we explain the somewhat larger short-run effects estimated for recent state prekindergarten programs compared with Head Start? A likely explanation is that pre-K programs hire teachers with higher levels of qualifications, pay them more, and offer a more academically oriented curriculum. For example, only about one-third of Head

Start teachers have completed a bachelor's degree, whereas all of the recently evaluated pre-K programs had college-educated teachers.

For policy purposes, the crucial question is whether Head Start impacts persist over time, as this will indicate whether program benefits are likely to outweigh program costs. Studies of children who participated in Head Start several decades ago suggest lasting impacts on schooling attainment and perhaps criminal activity, while test-score impacts appear to fade out over

Social policies often play catch-up in an effort to counteract early disadvantages. But disparities in early childhood are so deep that many never catch up.

time. Like those of Abecedarian and Perry, these impacts were large enough to generate benefits to society that outweigh the program costs.

CURRENT PRIORITIES AND A PROPOSAL

The influence of the preschool years on children's later achievement and success is not well reflected in current government budget priorities, which allocate only one-seventh as much money per child for prekindergarten early-education and child-care subsidies for 3- to 5-year-olds as for K-12 schooling. Many social policies are devoted to playing catch-up to counteract children's early disadvantages, but disparities are already apparent among young children, and many disadvantaged children never catch up.

There is now hard scientific evidence on the benefits of broad-based, proactive efforts to enroll children in and near poverty in high-quality early-education

programs, beginning at age 3. These programs combine:

- teachers who are well-educated or have received extensive training in areas specific to the care and education of young children, and who receive salaries comparable to those of elementary-school teachers;
- a well-implemented curriculum, small class sizes, high adult-to-child ratios, with stimulating materials available in a safe physical setting;
- a language-rich environment; and
- caring, responsive interactions between staff and children.

One proposal would be to provide two years of intensive, half-day, high-quality early-childhood education to all low-income 3- and 4-year-old children in the United States. These classes would be led by a college-educated teacher and limited to six students per instructor. Teachers would devote the remaining half of their workday to parent-outreach efforts, intended to involve parents as partners in their children's learning and help them to access available support and social services. The annual per-child cost of the early-education component of this program might total as much as \$8,000 per child, or \$16,000 over the entire two-year enrollment period. Providing wraparound child care for working mothers would add \$4,000 a year to this total. To preserve the gains from preschool education programs, it is important that public schools align their early-grade curricula with those of the preschool programs.

Although costly, the benefits deriving from a two-year pre-K program for low-income children would almost certainly exceed the costs of such a program, as earlier evaluations have shown. Indeed, it is likely that program benefits would exceed costs several times over, as they would provide a firm and vital foundation for later learning and positive behavior. **TAP**

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POVERTY, WORK, AND REWARD

Wages and the Social Contract

Needed: more worker bargaining power

BY THOMAS A. KOCHAN

FROM THE END OF WORLD WAR II through the mid 1970s, the real wages of American workers nearly doubled, moving up in tandem with the growth in productivity. The United States benefited from an implicit social contract: By working hard and contributing to productivity, profits, and economic growth, workers and their families could expect improved living standards, greater job security, and a secure and dignified retirement. This social contract broke down after 1980, as employees lost their bargaining power. Since then, productivity has grown more than 70 percent while real compensation of nonmanagerial workers has remained flat. Wages for the lowest-paid workers have collapsed even more than for average workers.

While conventional explanations for stagnant wages and increased inequality—such as those that emphasize technological changes and increased premium for skills—may be part of the story, they fail to take into account the historical policy and institutional forces that created and sustained the postwar social contract, or to understand what needs to be done to restore it in a way consistent with the needs of today's workforce and economy.

The postwar social contract was grounded in New Deal legislation that established a minimum wage, other wage and hour regulations, and labor laws that allowed workers to build the bargaining power needed to enforce wage-determination norms and principles in negotiating with large corporations. The undermining of this system of regulations, and of union bargaining power, accounts for significant portions of the wage lag.

Despite the convention of a poverty “line,” the working poor and the near-poor have much in common. After periodically raising the minimum wage from 1938 through the 1960s as prices rose, Congress and several presidents have allowed the real value of the minimum wage to fall about 25 percent since the late 1960s. Econometric estimates indicate that this alone can account for about a 20 percent decline in real wages for those paid at or slightly above the minimum, and for a 6 percent to 10 percent reduction for those earning twice the minimum wage.

The system of collective bargaining that grew out of the New Deal's National Labor Relations Act and the influence of the War Labor Board during World War II likewise get insufficient credit for their role in creating and sustaining the link between productivity and wages. The War Labor Board used wage comparisons to instill the principle of “equal pay for equal work” within industries and occupations. It encouraged negotiations for health insurance, pensions, and other benefits that eventually became sine qua non for a “good job.” By the mid-1970s, union members were about 20 percent more likely to be covered by these benefits than nonunion workers.

In the late 1940s, the United Auto Workers and General Motors negotiated contracts that explicitly linked wage increases to productivity growth (the “annual improvement factor”) and to increases in the cost of living. These private-sector wage norms reinforced the underlying social contract. From the mid-1940s through the 1970s, unions led the process of improving wages by producing

union wage premiums ranging from 10 percent to 25 percent, with the biggest effects for less-skilled jobs and less-educated workers. Union-negotiated wages and benefits spilled over to affect non-union workers and managers across the economy. For example, managers surveyed in 1978 by the Conference Board reported that wage and benefit settlements in their largest bargaining units affected up to two and a half times as many employees than unionized workers in their firms, and four times as many employees in their local product or labor markets.

UNIONS HAVE DECLINED FOR SEVERAL mutually reinforcing reasons: deregulation, industrial change, globalization, and increased employer resistance (often abetted by lax government enforcement of the right to organize). As the union percent of the workforce declined, first slowly in the 1970s and then precipitously after 1980, so, too, did their ability to enforce the social contract and to bargain for the wages and benefits that rose with productivity. The union wage premium has diminished, and unions have had to fight defensive battles to slow the decline in health care and pension coverage, and to shift the costs and risks of these benefit plans from employers to workers.

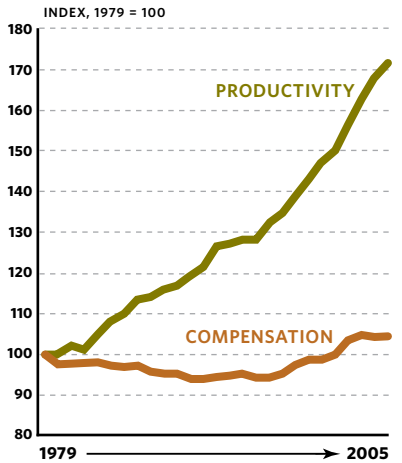
The weakening of unions leaves more power in the hands of corporations to determine wages. Three aspects of corporate strategies and policies have particularly affected lower-wage workers.

First, corporations that previously paid relatively high wages for all employees because of either the presence or the threat of unions began to narrow their focus to their “core competencies,” outsourcing noncore work that could be purchased at lower wages. This started with outsourcing janitorial and clerical work and then advanced to production, information technology, and other professional services. By outsourcing or offshoring some of this work, companies not only lowered their wage bill; they also further reduced the bargaining power of the workers who feared their jobs might be the next to go.

Second, internal equity norms broke down. Instead of maintaining consistent differentials between top-level execu-

PRODUCTIVITY SOARS BUT WAGES STAGNATE

Productivity growth and the compensation of production workers, 1979-2005



SOURCE: BUREAU OF LABOR STATISTICS & ECONOMIC POLICY INSTITUTE

Unions need to build productive labor-management partnerships that create value—and then share the gains.

tives and other managers and employees, compensation experts began differentiating between top executives, other high talented employees, and everyone else in the firm. Wages of top executives soared to as high as 400-to-1, a differential that would have been unthinkable when unions were stronger.

Third, intensified price competition was experienced in deregulated industries like airlines and trucking, manufacturing industries exposed to global competition, and even domestic industries where large firms such as Wal-Mart dominate. All these factors exerted significant downward pressure on wages. The opening of a Wal-Mart store reduces the wages of retail workers in the area by about 3 percent. A few years ago, food retailers in southern California took a

four month strike to cut their fringe-benefit costs in anticipation of a new Wal-Mart in their region. Since 2000, major airlines have responded to the entry of newer, lower-cost competition by cutting \$15 billion out of workers' paychecks, not counting the additional financial losses to be endured by employees whose pensions were terminated and turned over to the government.

WHAT CAN BE DONE TO REVERSE THESE trends and build a new social contract for today's economy? Might tight labor markets make up for the decline in these institutions and policies? From the end of the recession in 1991, it took five years of declining unemployment before wages of lower-level employees began to grow. This ended with the recession that followed the dot-com bust. It has taken four years into the latest recovery before lower- and average-wage workers have started to see modest improvements in real wages. Given the Federal Reserve's focus on inflation targeting and the unpredictability of world events, it's likely that economic downturns will be as much a part of the future as they have been a part of the past. So while full-employment policies should be a key part of the government's economic and labor-market strategy, labor-market pressures alone will not generate a return to steady wage growth, particularly for lower-paid workers.

Steady progress requires engaging government, business, and labor efforts to build a new social contract tailored to today's economy and workforce. The greater instability of today's job market requires more social protections, not fewer. As in the 1930s, government can take the first step by restoring a floor on minimum wages and family incomes. Increasing the minimum hourly wage from \$5.15 to \$7.25, as Congress is now considering, would boost by about 32 percent the wages of workers currently at or near the minimum. Those paid twice the minimum would also experience a 3 percent to five 5 percent increase. Low-income working families would further benefit if increases in the minimum wage were combined with increases in the Earned Income Tax Credit.

A resurgence in unions is also essential, and not just in the model of the 1930s. Unions will need to draw on new sources of power—as some are doing by building coalitions with other community groups advocating for worker's rights and living wages; negotiating for training, development funds, and job ladders (as is happening in some parts of the health-care and hospitality industries); and building networks that provide benefits, job referrals, and wage information to workers and contractors not attached to a single firm (as is being done by a new media workers' union in New York).

Unions need to continue to lead the way in building productive labor-management partnerships that create value and then share the gains, as they have done over the years with progressive employers in health care, communications, manufacturing, utilities, and other industries. As was the case in the '30s, labor law needs to be fixed and updated so that it will once again protect workers' right to organize, and so that it can open the way for these innovative strategies to spread across the economy.

Finally, building a new and sustainable social contract requires American firms to adopt strategies capable of generating good profits while also sustaining good jobs at fair wages *and* meeting labor and employment-law standards. This will require a government strategy and a set of policy initiatives as bold and creative as the New Deal, using both carrots and sticks. Tax incentives for research and development and human-capital investments, government contracts, and all other public supports should be made contingent on firms complying with labor laws. At the heart of a new social contract that fights poverty and raises wages is a national strategy to reconnect rising productivity, rising wages, and norms of fairness inside the corporation. **TAP**

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What Can Worker Training Do?

Plenty, but career ladders need to lead to rewarding jobs.

BY JOAN FITZGERALD AND ANDREW SUM

ONE OUT OF EVERY SIX FULL-TIME U.S. workers earns less than 125 percent of the poverty line—under \$18,865 a year for a family of three. And the share of low-wage workers is considerably higher in many of the sectors with the most job growth: retailing, hotel and food services, health care, and human services. Full-time workers in the bottom tenth of the wage distribution saw their weekly earnings decline by about 1 percent over the past six years, reversing the trend of rising wages that occurred from 1995 to 2000. For low-skilled youths, finding even a bad job has become more difficult. The problem is especially acute for young black men, with only 33 percent of black high-school dropouts able to secure any type of job, and only 25 percent working full time in 2005.

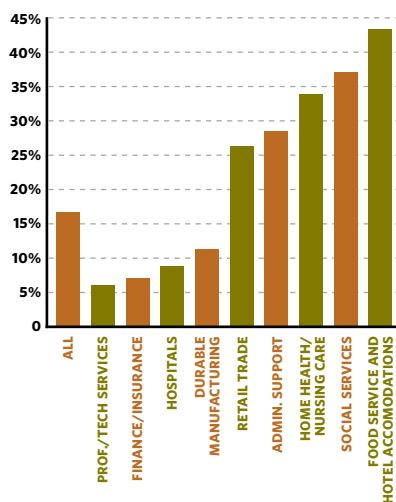
Workforce development can be a promising strategy, but by itself it cannot compensate for inadequate schools, the serial disadvantages of poverty in early childhood, and a labor market that often leads only to more low-wage jobs. Workers would have a far better chance of improving their earnings if they were better educated before they entered the workforce, and if education and training were complemented by other labor-market interventions such as higher minimum wages, stronger unions, and a national strategy of creating good jobs.

SCHOOL-TO-WORK TRANSITIONS. Within the field of workforce development, one place to begin is to expose more teens—especially low-income, black, and Hispanic youths—to work experience. But since the end of the national labor-market boom of the mid- to late 1990s, employment rates of the nation's high-school students have declined, from 34 percent to 26 percent; and among low-

income and minority high-school students, only 15 percent worked in 2006. This decline reflects both shrinking work opportunities and underfunded transition programs.

There is no shortage of good models. Career academy programs, for example,

WORKING BUT POOR Percentage of full-year workers who earned less than the low-income threshold



SOURCE: 2005 AMERICAN COMMUNITY SURVEYS

provide high-school students with academic and vocational training in specific occupations, with close ties to employers that provide students with work-based learning opportunities. These programs have had success in improving the annual earnings of participants, especially young men, in the first four to five years following their graduation. Philadelphia's Talent Development model—which helps strengthen the core academic skills of inner-city high-school students while offering work-based learning through career academies—has improved academ-

ic achievement and grade promotions.

Another good model is the National Youth Apprenticeship system proposed by Bill Clinton and Al Gore in their 1992 presidential campaign but never implemented on a national scale. A few states have pioneered in this approach, such as Wisconsin, with its Youth Apprenticeship Program, which provides formal classroom training and structured work experience in 21 different occupations for up to 24 months.

WORKER SKILLS UPGRADING. A different challenge is raising the skill levels of people already in the workforce. But Department of Labor expenditures for training and employment assistance have been cut from \$6.1 billion in 1986 to \$5.2 billion in 2006. That translates into an expenditure decline of \$63 to \$35 per worker, even more when adjusted for inflation. The United States currently ranks last among 21 high- and median-income Organisation for Economic Cooperation and Development countries in terms of the share of gross domestic product that it devotes to active labor-market policies. Only 0.14 percent of the nation's GDP was devoted to such purposes in 2002 and 2003, versus 1.2 percent to 1.6 percent in six OECD nations, including Denmark, France, Ireland, and the Netherlands.

Again, some states have stepped into the breach. California, with its Employment Training Panel, reimburses businesses that provide training for frontline workers. Workers and employers both realize favorable returns on investment: The panel consistently outperforms the state's other training providers—including community colleges—in providing training that moves low-wage workers into better-paying jobs. Another innovator is Iowa, where the Iowa Industrial New Jobs Training Program floats bonds to finance training for businesses that create new jobs. A few other states, meanwhile, have adopted innovative approaches to funding training through unemployment insurance taxes.

Employers, absent government subsidy or prodding, tend to ignore the less-skilled, and tend to live with high

turnover and undertrained workers. For 21- to 33-year-olds, employers have invested four times as much on education and training for workers with a bachelor's degree or higher than on high-school dropouts, and twice as much on college graduates than on high-school graduates. The United States is near the bottom of a group of 12 high-income countries in providing job-related education and training. It leads most countries in the dubious category of failing to use training to counteract inequality; the most skilled workers are the most likely to receive even more training from employers. Employer-provided education and training for workers who are better-schooled to begin with thus widens gaps in skills and earnings between America's best- and least-educated workers in the nation.

CAREER-LADDER PROGRAMS. Programs to promote career-progression opportunities are promising in principle. But in occupations with flat job pyramids, it is not feasible to create many advancement opportunities. In much of the service sector, additional training offers meager rewards because career ladders are scarce. This characterizes jobs in health-care support such as nurse-aid, as well as child care, and much of the work in hotels, some retail sales, and food service.

For example, health-care career-ladder programs focused on nurse aides and other low-skill health-care occupations are finding that the multiple demands of workers' lives—and a lack of academic preparedness and discretionary time—make it difficult for them to succeed, and expensive to provide such training. It may take the average nurse aide three to four years just to finish the coursework needed to enroll in a licensed-practical-nurse program. For many low-wage workers, moving up to middle-class wages is likely to be a 10- to 15-year process.

That does not mean that we should give up on career ladders, but that we need to make sure that the ladders lead somewhere—and that we are realistic about what they can achieve in particular sectors in the short run. For one thing, career ladders have to be supported by

efforts to upgrade existing jobs. Union campaigns, in sectors such as home care, home-based child care, and hotel work start by raising the wage floor, then focus on restructuring jobs and career progressions (so there are positions for workers to advance into once they have built their education and skills base). [See Joan Fitzgerald, "Getting Serious About Good Jobs," *TAP*, November 2006.]

We also need to pay closer attention to what makes successful career-ladder programs effective. Union-led programs often have better outcomes because they also negotiate paid time off of work and offer tuition reimbursement—two huge barriers to program completion. Strengthening union representation in

the trade and service industries would help boost wages of low-skill workers and their future training opportunities.

Workforce-development strategies need to be complemented with a national commitment to what occurs before and after people enter work. That means better education and poverty alleviation for children and their families, and a national commitment not just to train workers but to reward that training with better-paid jobs. **TAP**

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Debt: The New Safety Net

Low-income families are saddled with very high-interest debt. They're not spendthrifts—their earnings are inadequate to fulfill basic needs.

BY TAMARA DRAUT

VICTOR AND ELOISE REPRESENT the new face of debt in America. Together, they've worked in a series of low-wage jobs that include stints at fast-food restaurants, small factories, and hotels. Technically, they are not poor according to the government's official definition of "poverty," but the economic vulnerability of the working poor and the near-poor are increasingly similar. The couple, whom I interviewed for my recent book, live in Montgomery, Alabama, with their two children, aged 4 and 14. They own their own home, which they bought in 2000 after their second child was born.

Today, after more than a decade of working low-wage jobs, the couple's annual income has risen to about \$50,000, more than double the poverty-line for a family of four. But their long years of subsistence living have left them with high-interest debt totaling \$13,000. They're paying a 25 percent annual percentage

rate on a \$3,000 credit-card balance that paid for new tires and alignment work on their car, as well as for a new stove for their kitchen. They also have three personal installment loans totaling more than \$9,000, all at interest rates of 25 percent or higher. These loans were used to help cover bills while Eloise was on maternity leave, to help pay for a used car, and to help repair the family's home air conditioner. After years of barely making a dent in the principal, the couple now pays \$345 a month to a credit company that negotiated lower rates and makes payments on their behalf toward one of their credit cards and on two of their installment loans, but they still pay over \$500 month, mostly in interest, in past loans that financed basic living expenses.

Victor and Eloise symbolize what many in the financial industry enthusiastically champion as the democratization of credit. Its cheerleaders remind us that two decades ago, virtually all

lenders—save, perhaps, for the local pawnbroker or loan shark—would have snubbed Victor and Eloise. But today, thanks to technological change and deregulation, the low-income market is a bonanza for lenders.

With ever-more-sophisticated underwriting technology, lenders say they can better calculate risk and price loans

440 percent APR. The premise is that in two weeks or so, the lender will cash the check, paying off the loan. However, most borrowers end up extending their loan because they don't have enough funds to cover the postdated check. In fact, according to the Center for Responsible Lending, the average payday loan is renewed eight times, costing the borrower about \$800

for an initial loan of \$325. The center estimates that \$4.2 billion is extracted in payday-loan fees from borrowers' pockets each year.

Low-income households turn to payday loans for many of the same reasons they incur credit-card debt: unexpected expenses or drops in income. Today, about one in three low- to mid-

form of Medicaid catches the most vulnerable, but it leaves many low-income individuals completely unprotected. And so, unleashed by deregulation that lifted interest-rate caps and limits on fees, major banks have underwritten and financed billions of dollars in loans and extracted billions in high interest rates and fees from low-income families with nowhere else to turn.

BORROWERS NEED TO SHARE RESPONSIBILITY for their indebtedness, but government, like the lending industry, is far from innocent. Over the last three decades, policy-makers have steadily abandoned Americans in and near poverty.

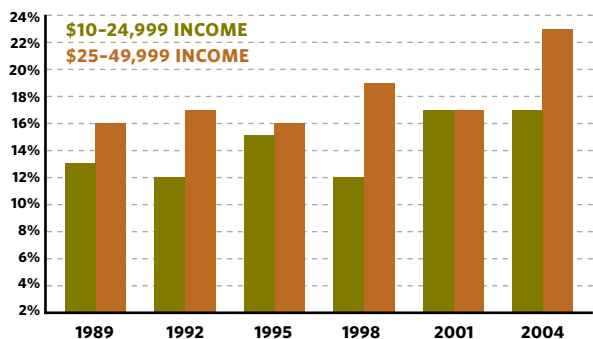
Belatedly, however, the practices of the lending industry are coming under scrutiny. Since January 2007, with the meltdown in sub-prime mortgage loans and the change in Congress, the Senate and House have held multiple hearings on lending-industry practices. Chris Dodd, who chairs the Senate Banking Committee, has signaled that legislation addressing the credit-card industry may be on the way. Meanwhile, an impressive and diverse group of organizations have joined together to form Americans for Fairness in Lending (www.affil.org), whose goal is to raise awareness of abusive lending practices and to call for reregulation.

Restoring responsibility to the lending industry is just one aspect of the remedy, however. The deeper cure for debt as a safety net is to increase earnings and social benefits for the working poor, so that low-income families have the opportunity to move beyond mere subsistence living. That means raising the minimum wage, tearing down barriers to union organizing, providing universal health care, and creating more incentives in the tax code to help these families save and build wealth. Debt is not a safety net, but unless change is forthcoming, it will likely remain the only net available. **TAP**

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DEBT ON THE RISE

Ratio of consumer debt to income, 1989-2004



SOURCE: FEDERAL RESERVE BOARD SURVEY

accordingly. In addition, deregulation in the early 1980s and '90s all but eliminated interest rates and fee limits. The result is a tidal wave of high-cost credit targeted to low-income individuals, particularly in communities of color, at interest rates once considered usurious but now regarded as perfectly legitimate. It's a great system for everyone but the borrower.

THE UNLEASHING OF EXORBITANTLY priced credit coincided with two other important trends: the steady decline in earnings power of low-income households and the shredding of our public safety net. As already strapped low-income households found themselves falling further behind, they also found their mailboxes stuffed with rescue offers of easy and fast credit. And in low-income neighborhoods, storefronts selling fast and expensive loans are now as plentiful as McDonalds selling fast and cheap food.

Consider the payday loan. A borrower simply writes a postdated check and exchanges it for cash from the lender for a fee—typically starting around \$15 for each \$100 borrowed, or about 300 percent to

dle-income households have credit-card debt, with an average balance of \$6,500 for those with incomes below \$35,000. Most of these households aren't indebted because they have a spending problem; they're indebted because they have an income problem. According to a study conducted by Dēmos and the Center for Responsible Lending, 44 percent of low-income indebted households reported that a layoff contributed to their credit-card debt; 20 percent cited medical expenses; 50 percent cited car repairs; and 38 percent cited home repairs.

As all of us can attest, things happen that can cause a financial crunch. For low-income families, however, the likelihood of such things happening is much higher, while emergency reserves are much lower. The ability of these households to save has diminished as incomes at the bottom of the wage distribution have fallen while costs for housing and health care have soared. In addition, our social safety net no longer really catches those who experience a fall: Fewer workers qualify for unemployment insurance, and wage-replacement levels have diminished. The health-care safety net in the



Creating an Opportunity Society

Asset-building strategies can broaden the American promise of ownership. But they can't succeed on the cheap, or by shifting even more risks to the poor.

BY MELVIN L. OLIVER AND THOMAS M. SHAPIRO

SOcial mobility, economic security, and self-reliance are at the heart of the American ideal. These widely shared goals can be the foundation for a new political consensus built around the cultivation of financial and human assets. At least two sources animate this new policy context.

First, globalization is widening economic inequality and insecurity, for the middle class as well as the poor. The national competitiveness of the United States and the economic security of Americans depend on investment in both financial and human capital. Second, there is increasing recognition that family financial assets play a key role in poverty reduction, social mobility, and securing middle-class status. Income helps you get along; assets help you get ahead. Those without the head start of family assets have a much steeper climb out of poverty. Social policy needs to ensure income sufficiency while simultaneously increasing investments in the assets of the poor, so that they can take advantage of opportunities throughout their life course.

Asset inequality in America has been growing rapidly for 20 years. Nearly two in five families today do not have enough financial assets to survive for three months at the government poverty line if a breadwinner loses employment. African Americans own only 7 cents for every dollar of net worth that white Americans own; for Hispanics, the figure is only slightly higher, 9 cents for every dollar. This is the precarious position of millions of American households, especially those that are not only asset-poor but also income-poor.

HOW AMERICANS BUILT AN OWNERSHIP SOCIETY

Our past provides ample lessons on how groups of people moved ahead and established a foundation of economic security, with government policies promoting what was experienced as self-sufficiency. One element is a steadily growing economy, such as the one America enjoyed for three decades after World War II, when the average standard of living doubled, all groups shared in the expanding pie, and the foundation for today's propertied middle class was established. A second ingredient is the mobilization and success of social movements that helped incorporate many working families, African Americans, ethnic minorities, and women into the economic mainstream. The third—and far less understood—component is how the creation of opportunity structures promotes social mobility.

This long and rich history includes the Homestead Act of

1862 and the land-grant colleges of the 19th century, Federal Housing Administration loans, Social Security, and the GI Bill, as well as the continuous benefits of tax codes that subsidize homeownership, property, and wealth. American's broad middle class accumulates two-thirds of its wealth through homeownership—enabled more by federal actions than private thrift, savings, and investments. The dwindling proportion of Americans who still enjoy secure pension plans and health coverage also benefit from hundreds of billions of dollars in tax preferences.

Singly and collectively, these and other government actions provided millions of families, and previously excluded economic classes, the opportunity to acquire property and build wealth. The reach of these social-investment actions, however, by both intent and omission, has not extended to low- and moderate-income families, and only barely to Hispanics and African Americans.

ASSETS FOR ALL

America needs a broader set of asset policies, to reach outward and downward. Successful policies that encourage widespread asset building have several things in common: They are targeted to the most disadvantaged; they emphasize the creation of mobility opportunities; and they are framed in language that focuses on playing by the rules and rewards effort and sacrifice. These strategies hark back to successful policies of the past that do not specify particular policies for the “poor” but focus on supporting hardworking families that play by the rules.

Starting with these points of consensus, the question then becomes how we can build a political agenda that broadens and democratizes asset building. We suggest that the political translation requires new ways of talking about and framing policies for mobility and economic security that encourage work, sacrifice, and effort, and that promote the mobility aspirations of all Americans. Not a policy “for” a particular group, this approach melds traditional labor-market and social-service policies with an asset perspective as part of a comprehensive approach that connects the dots.

In principle, a surprisingly broad coalition of liberals and conservatives has rallied around the idea of an “ownership society” based on accumulation of assets. Some programs that enjoy common support include Individual Development Accounts (IDAs), other tax-favored retirement accounts, and

the Earned Income Tax Credit. However, some proposals that invoke the ideal of an asset ownership, such as privatization of social insurance, transfer too much risk and too few assets. Others, such as IDAs, are promising, but have been funded at only token levels. It remains to be seen whether these programs can be taken to a scale that will make a transformative difference, as the GI Bill and the Homestead Act once did.

SUBSIDY FOR THE HAVES

For generations, tax policies in the United States have helped to provide resources to assist aspiring middle-class and well-to-do Americans in building assets. It is hard to imagine that many Americans would have been able to buy homes, send their children to college, prepare for retirement, and weather unexpected financial storms without these important asset-building subsidies. Today, however, too many of the subsidy dollars are targeted to those who are already rich. For example, in fiscal year 2005, taxpayers financed \$367 billion worth of asset policies for the nonpoor through tax breaks, 45 percent of which accrued to the wealthiest 1 percent. The bottom 60 percent received a paltry 3 percent of these federal benefits.

A true opportunity society would redirect these tax subsidies, and other asset supports, to where they are needed most. In addition to pensions and housing, college aid has become skewed to the haves [see “Closing College Doors,” page A18, by Kati Haycock]. Pell Grants are the main source of college financing for low-income students. In 1979, these grants covered fully 75 percent of the cost of a four-year public-college education; today, they cover only about a third of college costs. About two-thirds of today’s college undergraduates go into debt to finance their futures, and by definition these are the children of nonaffluent families. Over the past decade, debts of graduating seniors have more than doubled, and the average debt is now about \$20,000, with many owing considerably more. Instead of opportunity investments for the common good, higher-education costs are being shifted onto individuals and personal debts. Moreover, students from families that cannot afford college tuition pay the price of lost opportunities.

Pell Grants should again cover three-quarters of college costs. Given how critical a college degree is to middle-class aspirations, as well as American productivity in a global economy, this is precisely the kind of big-ticket item that can frame popular support and an engaged constituency. Current Pell Grant funding would need to be more than doubled to achieve this modest investment opportunity.

The progressive soul of asset policy extends far beyond programs like individual accounts to a broad expansion of opportunities and a closing of the racial wealth gap. These are major

challenges requiring serious resources. If the children of the poor are to attend college, then higher education must be within financial reach, whether through Pell Grants or children’s savings accounts or both. If moderate-income families are to become homeowners, we need to reverse the tilt of tax subsidies and use the proceeds to finance affordable mortgages, expand the coverage of the Community Reinvestment Act, and adequately fund community-development assistance.

By contrast, the purely private version of an opportunity society, despite the language of ownership, would accelerate the shift away from social investments and put burdens mainly on individuals. Risks would be privatized, and citizenship impoverished. Such shifts of costs and risks are already

occurring in health-care and retirement security, and personal safety, even without further deliberate privatization. These shifts increase the strain on family finances, making middle-class success more difficult to attain and harder to sustain.

Democratization of the investment budget offers a very different strategy to help individuals, families, and communities promote entrepreneurship and wealth creation. We already possess adequate resources to pay for big-ticket asset-generating initiatives like universal children’s savings accounts or first-time homeownership assistance.

For example, the estate tax is a levy on the wealthiest 1 percent of Americans. We could restore public support

for the tax by linking its revenues to the very American idea of providing opportunities to new generations of Americans. This appeal is grounded in the shared belief that passing along great advantages and wealth runs against the deep American spirit of fairness, equality, new starts, and opportunity. Equal opportunity and a level playing field for all cannot thrive side by side with great inherited wealth.

The next phase of our social policy must go well beyond patching the social safety net. As the economic risk associated with health care, education, and retirement security is increasingly privatized, we must insist on social policy that does not use already strained private resources to compensate for a withering opportunity structure, but instead creates a set of social investments that serve as a platform for mobility. Only in this way will we truly be a competitive player in the global marketplace and broaden access to the American dream. **TAP**

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Government helped create the American middle class, by promoting homeownership, college education, and pensions. Now we must shift asset policies, outward and downward.

Redeeming Public Remedy

It takes effective government to restore opportunity. After decades of government-bashing, we need to win back support for what we do in common.

BY MICHAEL LIPSKY AND DIANNE STEWART

PRIVATE ENTERPRISE PRODUCES EMPLOYMENT, WAGES, and wealth, but our public structures are what facilitate the conduct of business, providing the framework necessary for markets to thrive. Key public systems also help protect people against the risks of a free-market economy and provide the infrastructure for economic opportunity such as public- and higher-education systems, tasks that are beyond the purview of any individual. Although the balance between market forces and government institutions and regulations varies over time and place, the notion that public structures and market enterprises work together to generate the common good is virtually a definition of an advanced industrial nation.

Yet for the last several decades, the country has reverted to a premise more like Adam Smith's—that the public interest is nothing but the sum of private interests; that government is not a partner in prosperity but antithetical to it. From this point of view, government's activities should be minimal; taxes are not the price of government but a pure drag on efficiency. What cannot be provided or ensured by private markets is presumed to be the responsibility of individuals.

In fact, this ideology flies in the face of both sound economics and the American experience, going all the way back to the republic's founding, when government promoted the mechanical and agricultural arts and established a land-tenure system that favored small-scale freeholders. In the 19th century, government subsidized railroads and land-grant colleges and initiated regulation to limit economic concentrations. In the 1930s, government extended highways, brought electricity to remote locations, used regulation to restore solvency and confidence to the financial system, and erected the Social Security framework that today provides at least a minimal income to people who can no longer work. In the 1960s, government brought health care to the poor, the elderly, and the disabled. In the 1990s, government expanded the Earned Income Tax Credit, removing from poverty more than 4.4 million people in families with low-wage workers.

Today, the challenge of ensuring economic opportunity and addressing widening economic inequality requires new public structures. They might involve establishing savings accounts for all newborn children, so that they grow up with confidence that they can afford college, and they might include providing secure health coverage and converting the home-mortgage deduction to a system of refundable housing credits.

But in this decade, the political dominance of the small-

government/low-tax ideology has become disabling. The problem is not that the citizenry supports wide inequalities; most Americans are in fact generous in wishing to end poverty and other social ills. The problem is that people have been led to believe that government cannot be trusted to secure the common good, and that fiscal resources are in any case unavailable.

BEYOND GOVERNMENT-BASHING

Public opinion toward government has been shaped by decades of relentless negative rhetoric, emphasizing government waste and mismanagement. Political leaders of both parties contribute to this dysfunctional perspective, running against government when campaigning and then criticizing government rather than championing its necessary role once they're in office. This cynicism has brought the public to a point that it has trouble even imagining the creation of effective public structures to manage the people's business.

Some distrust of government is inevitable. In more constructive eras, however, American ambivalence about government has been balanced by an understanding that government is necessary to curb the power of monopolies, expand opportunity and security, ensure the rights of workers and consumers, and eliminate discrimination.

Polls suggest that today's voters are once again receptive to a major government role in alleviating poverty and expanding opportunity. A survey conducted just a few months ago by The Pew Research Center reported that 69 percent of respondents believed that "it is the responsibility of the government to take care of people who can't take care of themselves," a 12-point increase since July 1994. Significantly, 54 percent agreed with the more challenging statement that "the government should help more needy people, even if it means going deeper in debt."

As the columnist E.J. Dionne recently observed (in a tribute to Arthur Schlesinger Jr., who died in February), "Renewing the public sphere and reviving concern for the less privileged and less powerful are inevitably what free citizens demand at the end of a conservative era." As the citizenry again becomes more receptive to a government role, our public language about government needs to become better informed and less timid. We have already begun to see hints of this transformation in the reduction in blatant antigovernment rhetoric and in the willingness of such politicians as Massachusetts Governor Deval Patrick to embrace public remedy. When Patrick's opponents (from both parties) challenged him to back a tax cut, using the

slogan “It’s their money,” Patrick responded, “Yes, but it’s also their broken neighborhoods and their broken neighbors.”

HOW TO TALK ABOUT GOVERNMENT

For the last several years we have been studying how Americans think about government, and we have begun to disseminate ideas on how to build support for a more positive and balanced perspective of government’s necessary role. Through our research partner, The FrameWorks Institute, we have examined how people process information about government, and we have developed ways to talk about government that lead to productive conversations in which citizens are more open to ideas and information about the public sector and not closed by biased and stereotypical thinking.

Research indicates that on most subjects involving public affairs, people have more than one mental filter through which they process information. People’s first thoughts of government—their “top of the mind” associations—tend to be of bickering politicians or, alternatively, of a shapeless bureaucracy. So, if people associate government with bickering politicians or an undifferentiated bureaucracy, their unmediated views of “government,” will tend to be hostile and cynical. However, people also have available more positive perspectives—among them, that government protects us against misfortunes from which we can’t protect ourselves, and that government is an actor through which, along with business and civic institutions, people solve common problems. In addition, people want to view themselves as responsible citizens and hope they can elect representatives who are responsible, forward-thinking stewards of the common good. If we can “cue up” these perspectives when we talk about public policies, receptivity to government actions could be vastly different. People would be able to judge ideas involving government on their merits rather than discarding them because the ideas prematurely evoke negative perceptions.

This research not only offers a way forward rhetorically; it can provide confidence that the prevailing views of government in the public mind are not fixed, but can be changed over time. It tells us that many people yearn to believe that we—through our public structures—are capable of addressing collective challenges. (For more information on our findings and recommendations, go to www.demos.org/publicworks.)

IN SEARCH OF LEADERSHIP

Our research findings are just words on the page until leaders not only embrace a more complete understanding of the role of government in national development but also incorporate that understanding into their communications. Community leaders need to locate their particular issues within a broad

perspective on government and the public interest. Over time, the incorporation of these insights in political language will increase popular receptivity to public initiatives.

This may be easier said than done, however. Leaders with commitments to particular policies or institutions have to abandon the “silo” approach of seeking support for their particular policy areas, and they have to work with others to expand resources for a broad range of programs, not just their own. Those who perpetually insist that the sky is falling should offer fewer overwhelming, doomsday scenarios and more practical, feasible solutions for change. Those who have reveled in an indignant critique of specific public officials should recognize government successes and imagine a future of effective new public structures to address

public needs. Policy experts must truly communicate with citizens who have little interest in policy minutiae, and who instead want to know where to locate a subject in their hierarchy of values.

The good news is that large numbers of people have a stake in an effective public sector, though they may not yet recognize their common interest. For example, the transportation industry and the environmentalists both have an interest in greatly increasing and stabilizing the gasoline tax, albeit for very different reasons (the former need to pay for road and transit construction, while the latter need to force innovation in auto efficiency). Yet neither has recognized its interest in working with the other, or in promoting a positive per-

spective on the key role of government in managing change.

One unequivocal contribution of the conservative movement has been the lesson that disciplined dedication to articulating the core relationships among government, market forces, and civil society, embedded in well-resourced institutions, can have a profound influence on public affairs. As we contemplate a renewed effort to reduce poverty, we recognize that the country is well-endowed with institutional infrastructure dedicated to the defense and promotion of existing institutions. But we have taken the role of government for granted, content to defend individual programs or policies but unconcerned about the conceptual and ideological bases on which they exist.

In the upcoming presidential elections, we must ask our leaders to bring a proper role for government into the public debate. We can ask our candidates to take the lead in using their public messages to promote conceptions of the common good that explicitly recognize how government, working with citizens and the private sector, can bring about a better society. **TAP**

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Too many of our leaders, of both parties, fuel this anti-government bias, campaigning against government when running and then disparaging government once in office.

Compassion and Coalition

The paradox of helping the poor by helping all Americans

BY ROBERT KUTTNER

IMAGINE AN INFANT BORN INTO POVERTY. THIS CHILD is statistically at greater than normal risk for every bad social outcome in later life associated with early chronic trauma. As the infant grows into a toddler, the child is more likely to have poor cognitive and emotional skills; later on, to do poorly in school; to have poor eating and exercise habits, to use drugs and excessive alcohol, to become pregnant as a teen, to drop out of school. As an adult, this grown child is more likely to suffer physical and mental illnesses, to have difficulty forming secure attachments to a life partner, to get into trouble with the law, to be incarcerated, and to die prematurely. Add other factors highly correlated with extreme poverty in children, such as severe depression in mothers, and the odds worsen. Some remarkable individuals surmount these odds, but to be poor is to be at greater risk.

The phrase that famously got Daniel Patrick Moynihan into such trouble four decades ago in his report “The Negro Family”—“tangle of pathology”—is an accurate description not of race but of extreme poverty. Pathology was taken to imply blame. Yet no newborn baby is responsible for its own behavior. And while some poor parents do make poor choices, as Dorothy Day of the Catholic Worker Movement observed, to be poor is often not just to be poor in money but poor in spirit and other human resources. To be born into such an environment is not good for children.

There will never be enough money to treat all the casualties of early trauma and poverty after the fact. Simple humanity tells us that we need a broad range of early-childhood interventions to save the next generation. The psychologist George Albee, who died last year, advocated what he termed “primary prevention” of mental illness. Albee was not talking about counseling; he had in mind removing the economic assaults of inequality. “Stress, abuse, violence, sexism, exploitation, poverty are all noxious agents,” he wrote, and “unhealthy for children.”

Richard Rothstein, the former *New York Times* education columnist, argues that if we want poor children to do better in school, a marginal dollar invested in medical and dental clinics may be more effective than a marginal dollar spent on schooling.

Infants come attached to mothers. The British psychiatrist Donald Winnicott liked to say that there’s no such thing as a baby—meaning that it’s impossible to imagine an infant without a parent. For babies to thrive, their parents need to thrive. Yet our society makes the enterprise of healthy mothering far

more arduous than it could be, by failing to provide social supports and by punishing families economically, especially women, if they choose to have children.

Contemplating the casualties of extreme poverty, every human impulse prompts us to call for a massive infusion of resources to alleviate poverty, mitigate its toll, and rescue the next generation. Poverty is toxic for children. To break the cycle, we need an antipoverty superfund.

Yet everything we know about the logic of social investments and political coalitions also suggests that we can’t effectively address poverty alone. When a candidate like John Edwards speaks a moral language about poverty, he wins admiration for his political bravery and conscience. When he talks about the economic vulnerability of three Americans in four, you start thinking that he might be elected president.

Extreme poverty is a special case of an America that fails to deliver economically for ordinary working families. And if you look at the programs and political coalitions that have made a real difference in alleviating poverty, you quickly appreciate the wisdom of the old line that programs for the poor alone are poor programs. Social Security, by being a program for everybody, keeps tens of millions out of poverty—and redistributes more money to the poor than all poverty programs put together. As such, it is better defended politically than any explicitly antipoverty program.

Medicare, another widely esteemed universal program, allows the poor to be instantly treated like the middle class, at least for medical purposes, upon turning 65. The Earned Income Tax Credit has alleviated a lot of poverty by reaching well into the lower middle class. Targeted Head Start helps many low-income children, but universal public prekindergarten would do even more. Universal early education would also energize coalition politics and cultivate social compassion, by reminding us of the common needs of all children.

The children of the working middle class may not face the same profound risks as the children of the poor. But there has not been a time since the Great Depression when the American middle class had more economic vulnerabilities in common with the poor. Politically, the way to find the resources to alleviate poverty is to create a broad coalition of all Americans who are a few paychecks away from poverty, with good social investments that are universal. To end poverty, we need to imagine a middle-class America, where to work is to earn a decent living, and to be born is to have decent life chances. **TAP**

More Polarizing Than Rehnquist

Chief Justice John Roberts won Senate confirmation by vowing to shun ideological activism. Instead, by trashing judicial precedent and legislative statutes, he's reshaping law to fit conservative dogma.

BY SIMON LAZARUS

NO ONE CAN YET FORESEE WHERE 52-YEAR-OLD Chief Justice John Roberts will take the Supreme Court during the several decades he will likely preside over it. But one thing is already clear: Roberts himself wants the public to understand that he is intent on steering away from the ideological, polarized warfare of the Rehnquist era and toward a new era of “consensus.” On this point, he is not content to let his votes or the Court’s decisions speak for themselves. Before his freshman term was complete, in the spring of 2006, the new chief justice launched an unprecedented public-relations offensive, proclaiming his quest for harmony through a series of interviews with Supreme Court pundits Benjamin Wittes, Jeffrey Rosen, and Jan Crawford Greenburg (most notably during a lengthy TV appearance with Rosen on a February 2007 PBS special).

And yet, the Roberts Court’s actual performance draws quite a different picture from its chief’s off-the-court presentations. In the evolving record of oral arguments and decisions, evidence is sparse that the justices are muting their differences. Most significantly, there is little evidence that Roberts has tried particularly hard to lead the way toward any such synthesis. On the contrary, at least in the big, controversial cases, the new Court is, if anything, more polarized than Rehnquist’s was. News stories on decisions have cast the Court as split between robotic “conservative” and “liberal” blocs, with Anthony Kennedy the swing justice in the middle. In these reports, Roberts does not lead; he is twinned with his fellow Bush appointee Samuel Alito as half of a lockstep duo that has reinforced

hard-line conservatives Antonin Scalia and Clarence Thomas.

Of course, because the consistently right-leaning Alito has replaced the pragmatic centrist Sandra Day O’Connor, the new Court will be, as all commentators observe, “conservative.” But what sort of conservative Court will it be, and what sort of leadership will the new chief justice provide? Will he be a true judicial conservative, practicing the restraint that he and other conservative leaders have long preached? Or will he solidify a bloc transparently driven by political ideology, constantly pushing doctrinal envelopes to overturn or undermine liberal laws and policies, mirroring the “liberal activism” ritually decried by conservatives?

THE CONSENSUS SEEKER THAT ROBERTS PORTRAYS IN his interviews meshes with the self-portrait he drew in his September 2005 testimony before the Senate Judiciary Committee. There, he elaborately distinguished his judicial philosophy from that of Scalia and Thomas, the two justices whom President Bush

had repeatedly insisted he would use as models for his nominees. Pointedly, Roberts dismissed the pair’s brand of “originalism,” which contends that broad constitutional phrases like “cruel and unusual punishment” must be construed to uphold social practices—such as capital punishment for teenagers—that are offensive today but were prevalent when the Constitution was ratified. Roberts testified that he “departs” from that narrow view, insisting, as do liberal academic theorists, that “you need to look at the words they used, and if the words adopt a broader principle, it [the Constitution] applies more broadly.” It is applicable “to changing conditions,” and is “in that sense ... alive.” Disavowing labels, Roberts “prefer[red] to



be known as a modest judge.” That, he said, meant a “general approach to judging, which is good for the legal system as a whole”—respect for precedent, deference to democratic decision makers, and avoidance of “a dominant role in society and redressing society’s problems.”

“Judges,” he said in a widely disseminated opening sound bite, “are like umpires. Umpires don’t make the rules; they apply them.” The subtext was clear: Though Roberts’ personal views might tilt to the right, as chief justice, his priorities would be institutional, not ideological.

The pitch worked. Roberts won confirmation with genuinely bipartisan support. Three of the Senate Judiciary Committee’s eight Democrats, including ranking Democrat (now Chairman) Patrick Leahy of Vermont, and 21 of the Senate’s 44 Democrats, plus Independent James Jeffords, voted to confirm him. They chose to look past his record of opposing extension of the Voting Rights Act (back when he was a young firebrand in the Reagan administration) and to ignore impassioned demands for no votes from liberal advocacy groups. Roberts’ 78-to-22 confirmation margin contrasted sharply with Samuel Alito’s 58-to-42 (with all but four Democrats voting “no,” including nine “no’s” from red states), Clarence Thomas’ 52-to-48 in 1991, and, of course, Robert Bork’s rejection by a 42-to-58 vote in 1987. Even William Rehnquist, Roberts’ affable and well-liked predecessor, received 11 more negative votes when he was confirmed as chief justice in 1986.

The Democrats who voted for Roberts made clear that his pledge to follow a principled, “modest” course was the reason they elected to defy their activist base. Leahy’s statement, announcing his vote for Roberts in the Judiciary Committee,

Over the past decade, Court conservatives have struck down an unprecedented number of federal statutes—while Congress has kept silent.

was typical: He cited “Judge Roberts’ assurances that he will respect congressional authority,” and that “he does not have an ideological agenda.” Implicitly acknowledging charges by liberal advocacy groups that Roberts was not to be trusted, Leahy said he would take it on “faith that *the words he spoke to us have meaning*.” [Emphasis added.]

Nor was this just a case of gullible liberals voting their hopes instead of their fears. The very day after President Bush nominated Roberts, Linda Greenhouse, *The New York Times*’ respected Supreme Court correspondent, appraised Roberts as “someone deeply anchored in the trajectory of modern constitutional law, not ... someone who felt called to a mission to change the status quo ... [who unlike Scalia and Thomas] finds himself comfortably in the middle rather than at the margin.” Two months later, after parsing Roberts’ testimony and comparing his declared views on key issues with Rehnquist’s, the conservative legal pundit Bruce Fein cautioned readers of the right-wing *Washington Times*, “The Supreme Court will hop marginally to the political left with John Roberts as chief justice.”

A YEAR AND A HALF LATER, FEIN’S READERS MUST feel pleasantly surprised. During the Court term that ended in June 2006, Roberts voted with Scalia in 77.5 percent of the Court’s nonunanimous decisions. He and Alito shared the highest agreement rate of any two justices—a remarkable 88.5 percent. More telling than statistics, though, is the fact that in virtually every politically charged case, Roberts’ votes have been starkly at odds with his vows of modesty and democratic deference.

In January 2006, just before Alito’s confirmation, Roberts joined Scalia and Thomas in dissent from the Court’s 6-to-3 decision to invalidate former Attorney General John Ashcroft’s attempt to nullify, by regulation, Oregon’s physician-assisted suicide statute. The conservative trio would have short-circuited what Rehnquist had described in a 1997 case as “an earnest and profound debate ... throughout the Nation ... about the morality, legality, and practicality of physician-assisted suicide.” Indeed, Roberts himself, commenting just after that 1997 decision to a *NewsHour* audience, had agreed that Rehnquist’s restraint properly respected “the right of the people through their legislatures to articulate their own views on policies [about] terminating life and not have the Court interfering in those decisions.” Nine years later, voting to invalidate the Oregon legislature’s handiwork, Scalia blithely acknowledged that the “legitimacy of physician-assisted suicide ... ultimately rests ... on a naked value judgment.” Nevertheless, he saw fit to impose his side of that value judgment on the people of Oregon. Roberts concurred in Scalia’s patently activist opinion without expressing any reservations.

Six months later, in two end-of-the-term decisions split along familiar ideological lines, the conservative bloc—now augmented by the addition of Alito—brushed aside traditional federal executive and congressional prerogatives with the same indifference it had shown to states’ rights in the Oregon assisted-suicide case. In one case, Scalia scrapped Clean Water Act wetlands-protection rules reaffirmed by five presidents, including George W. Bush, as “entrenched executive error.” In the second decision, Alito, on hyper-technical grounds, nullified protections for beneficiaries of federal entitlement programs that, he acknowledged, “a majority of both houses intend.”

The chief justice could have seen these fractious cases as golden opportunities to test his consensus-building ambitions. For example, in the Clean Water Act case, he could have joined Kennedy’s separate concurring opinion, in which the justice adopted a comparatively moderate approach to checking the U.S. Army Corps of Engineers’ environmentalist zeal. (Since the conservative and liberal blocs split 4-to-4, Kennedy’s concurring opinion will govern the issue, and preserve effective federal wetlands protection, until and unless one more conservative appointee pushes the balance of power still further to the right.)

Had he joined Kennedy, Roberts would have signaled that he had no hidden agenda to undermine long-standing federal wetlands-protection authority. That tack would have fit his confirmation testimony, in which he reassured Senators Leahy, Charles Schumer, and Dianne Feinstein that he viewed the possibility



Vow of Modesty: John Roberts with Senators Patrick Leahy and Arlen Specter at his 2005 confirmation hearings.

of plausible constitutional challenges to the Clean Water Act as “remote.” Most important, had Roberts thus moved to the center, the four Court liberals—John Paul Stevens, David Souter, Ruth Bader Ginsburg, and Stephen Breyer—might well have reciprocated, to forge a broad 6-to-3 position, in order to put wetlands protection on a secure, if more circumscribed, footing. But not only did Roberts cast his vote with the right rather than the center; in both cases, he assigned opinion-drafting responsibility to justices who could be expected to push their rhetoric and legal theorizing as far, and as provocatively, to the right as they could.

The most revealing glimpse yet of Roberts’ intentions could come near the end of this term, when the Court decides two public-school race cases that took up an exceptionally tense two hours of oral argument in December of last year. These cases challenge racial-integration programs in Louisville, Kentucky, and Seattle, Washington, that take into account—among other factors—the race of students applying to attend particular schools within the local system. Before the Seattle case reached the U.S. Supreme Court, Judge Alex Kozinski, a Reagan appointee, upheld the school-board plan. An outspoken libertarian no doubt personally troubled by racial criteria, Kozinski nevertheless declined to intervene. He saw nothing in the text or “core principles” of the 14th Amendment that empowers federal judges to second-guess “[e]lected officials, who are much closer to ground zero than we are—and whose political power ebbs and flows with the approval of the voters—[and] understand the realities of the situation far better than we can.”

Indeed, it would be hard to conjure a matter in which the result desired by conservatives—overturning local school boards’ pro-

integration policies—clashes more starkly with conservative judicial philosophy. But in the Supreme Court last December, the emboldened conservative justices seemed unfazed by Kozinski’s fidelity to strict construction, original meaning, respect for local autonomy, and deference to democratic decisions. Scalia flaunted disdain, not only for the Louisville and Seattle school officials but for the voters who elected them. He sought to discredit surveys showing widespread local public approval of the plans by questioning whether the favorable votes came from blacks rather than whites. Most startling, Scalia observed that in an “overwhelmingly black” school district, a decision by the elected school board to essentially say “*We would like our race to get into ... better white schools*” would not reflect a “benign” or “compelling” governmental interest (to which courts must accord deference), because the board would be “doing it for a *racially selfish* reason.” [Emphasis added.] Civil-rights leaders stunned by Scalia’s remark could be excused for hearing in it a chilling echo of Robert Bork’s infamous vilification of the 1964 Civil Rights Act for the “surpassing ugliness” of its invasion of the “privacy” of white restaurant customers who preferred to dine with no blacks (except waiters) on the premises.

Scalia’s newly appointed colleagues, Roberts and Alito, piled on, both probing for openings to discredit the schools’ plans. Roberts let slip a particularly cheap shot—ridiculing Seattle’s defense as a “separate but equal” argument equivalent to the infamous rationale for legally mandated segregation that was interred in 1954 by *Brown v. Board of Education*. In response, the school board’s attorney deadpanned that the purpose of the pupil-assignment program was to not to keep black students

separate and marginalized but to keep the schools integrated and to enhance opportunities for blacks—in line with the original aims of the Reconstruction-era Congress that drafted the 14th Amendment.

The most noteworthy signal from the Seattle and Louisville oral arguments is not the results they appear to portend in the cases themselves. Rather, it is the ease with which the conservative justices, in order to reach a result that fits their political and policy agendas, blew right past every jurisprudential credo to which they and their comrades in arms have long asserted fidelity. If they will do it in this case, they can—and likely will—do it in any socially or politically important case.

Were Chief Justice Roberts to avoid such adventurism and take seriously his protestations of judicial modesty, he could readily pick off some or all of the liberal justices to build majorities—and a predictable approach to deciding—emphasizing constitutional text, history, precedent, and deference to democratic decision makers. Clinton appointees Ginsburg and Breyer, in particular, consistently emphasize deference to democratic institutions (Ginsburg once famously criticized *Roe v. Wade* for preempting public debate on abortion policy). Roberts may choose this path. He has yet to write a major opinion of his own. But to date, he seems to be gauging whether deft public relations can provide a cover of moderation, while a bloc of four ideological conservatives undermine decades of liberal legislation and case law—and perhaps wait to see if Bush or a Republican successor gets a chance to add a decisive fifth vote to their ranks.

OFF THE COURT, SURPRISINGLY LITTLE ATTENTION has been paid to this historic choice confronting Roberts and his justices, nor to his departures from the self-portrait he sketched during his confirmation hearings. Indeed, for decades, apart from a few scattered law-review commentaries, little note has been taken of the strategic selectivity with which conservative justices and judges have applied their various credos. A major reason has been that their most liberal critics have largely shunned this angle of attack. Many liberals are chronically uncomfortable invoking arguments that acknowledge constraints on judicial power, whether derived from constitutional text or history, or from premises of democratic governance. They prefer to stress conservative threats to the protection of (implicitly absolute) “rights,” or to particular victimized constituencies like women or blacks, or to “judicial independence.” Not infrequently, liberal advocates archly dismiss as merely “moderate” the quartet—Stevens, Souter, Ginsburg, and Breyer—who have battled conservatives on the Rehnquist and Roberts courts. Some of these liberals still yearn for the halcyon 1960s and ’70s, when Justice William Brennan proclaimed the “majestic generalities” of the Bill of Rights as carte blanche to read into the Constitution “fundamental values” dictated by late-20th-century liberal ideals.

In short, many liberals have failed to censure John Roberts for breaking the deal he offered during his confirmation proceedings, because they would be disinclined to take that deal in any case. This hesitancy to hoist Roberts and his fellow conservatives on their own philosophical petard, however, is

a strategic blunder. Restoring a “truly” liberal (i.e., activist) Court is simply not an option, given the relative youth of current Court conservatives, as well as the broader political realities that likely preclude confirmation of a Brennan-style nominee. Moreover, letting political conservatives monopolize common sense and broadly resonant philosophical nostrums—like judicial restraint, modesty, and original meaning—is bad strategy, from both a political and a legal standpoint.

“Text and history support progressive outcomes,” wrote Douglas Kendall and Jennifer Bradley in a recent *New Republic* article, “at least as frequently as they support conservative ones, and these arguments are often the most persuasive available, even to justices that shun the label of originalism.” Further, for the foreseeable future, public attitudes, and hence major public policies, will frequently tilt to the left of the Court’s ideological conservatives. More often than not, lawyers for liberal causes will be asking courts to respect established precedent and defer to legislative outcomes, certainly on economic policy issues and often on social issues as well—such as those involved in the Oregon assisted-suicide case, the Clean Water Act wetlands case, and, most starkly, the pending school-integration cases.

Most important, it misreads history for liberals to fret that they must principally look to courts, not electorates or legislatures, for protection. Take, for example, civil rights. When Chief Justice Earl Warren and his colleagues issued their *Brown v. Board of Education* manifesto, they emblazoned in the mind of the nation the image of a bold Supreme Court, actively pushing the other, “political” branches and the states, in the direction of the justices’ comparatively more liberal views. That paradigm has stuck since then, across the political spectrum. Conservatives have made blasts at “judicial activism” a ritual incantation; liberals have urged the Court to stay the course, following Ronald Dworkin’s exhortation to “take rights seriously.” But, in fact, for at least the past quarter century, this broadly shared picture of an elite federal judiciary to the left of the nation has grown increasingly out of date.

Of course, liberals (and conservatives as well) are not wholly off base to credit the Warren Court with implanting racial equality as a fundamental value of 20th-century U.S. public policy. But the civil-rights movement would never have succeeded in embedding antidiscrimination protections throughout American law and societal practice if Presidents John F. Kennedy and Lyndon Johnson, and the Congresses over which they presided, had not enacted the landmark civil-rights statutes of 1964, 1965, 1967, and 1968.

In the same vein, promoting racial integration today would not be a common feature of education regimes, except for the support of local school districts like Seattle and Louisville—and of such major national constituencies as the business and military groups that persuaded the Court in 2003 to uphold the University of Michigan law school’s affirmative-action program. Indeed, since the 1980s, federal-court civil-rights litigation has been almost exclusively about preventing federal judges, especially the Supreme Court’s, from undermining or overturning measures adopted by Congress, federal executive agencies, and even state and local bodies. In 1987 and again in 1991, civil-

rights advocates went to Capitol Hill to reenact important guarantees gutted by Rehnquist Court decisions.

Now as then, hopes for reining in the incipient conservative activism of the new Court rests with Congress. And Congress—the Senate in particular—has every reason to react as decisively and effectively as it did two decades ago. It is senators to whom the new chief justice made his earnest vows of restraint, common-sense respect for constitutional text and history, and ideological neutrality. The senators who accepted that commitment have a stake in showing that they will not be snookered by the sort of Jekyll-and-Hyde routine that Roberts seems to be trying out. More broadly, if Congress—a Democratic Congress at that—does not push back hard when its own constitutional turf is violated, as in the blatant 2006 Clean Water Act and in the entitlement-protection judicial turf grabs in which Roberts concurred, what incentive will there be for the Court to pull back?

Many liberals won't attack conservative justices for their judicial activism, as if the return of liberal judicial activism were even a possibility.

It's been awhile since Congress pushed back at all. Prior to the Roberts confirmation hearings, in late summer 2005, senators on both sides of the aisle had uttered nary a peep for a decade, while 5-to-4 Rehnquist-led majorities, purporting to act in the name of “federalism,” brazenly gutted significant provisions of such landmark liberal laws as the Civil Rights Act of 1964, the Age Discrimination Act of 1967 (and 1973), the Americans With Disabilities Act of 1990, the Violence Against Women Act of 1994, Medicaid (1965), and the Brady Handgun Violence Prevention Act of 1993, among others.

Academic commentators have observed that between 1995 and 2003, the Court threw out 33 federal statutes (at nearly three times the pace of the previous two centuries), and decried what political scientist Thomas M. Keck called the “most activist Supreme Court in history.” But Congress itself kept silent. Finally, in the Roberts hearings themselves, Democrats (led by Leahy) and Republicans (led by then-Judiciary Committee Chairman Arlen Specter) alike frontally attacked the “federalism” campaign as the “hallmark of the judicial activism of the Rehnquist Court.”

The new Democratic majority can find numerous ways to try to hold Roberts to his commitments and to reclaim its own turf. It wouldn't be necessary to resort to the sort of dangerous threats to judicial independence favored in recent years by such right-wing critics of the judiciary as former House Leader Tom DeLay and lead House Judiciary Committee Republican James Sensenbrenner, who called for impeaching judges for decisions with which they disagreed, or stripping the courts of jurisdiction over the definition of marriage. In 2002, when the Democrats had a brief Senate majority, the Judiciary Committee held hearings to underscore the appropriateness of taking into account the ideology of Bush's right-leaning judicial nominees before deciding to vote for or against confirmation. Similar hearings today could spotlight the activist itch that the current crop of conservative

justices are plainly eager to scratch, and serve as a warning shot to the Court to exercise self-control. Affronts to congressional intent, like Alito's attack on safety-net beneficiaries' rights, should provoke rapid denunciation and legislative correction.

Closer to home, Leahy could give a more nuanced and qualified response than his initial, reflexive embrace of Roberts' January call for a substantial increase in federal judges' salary levels. He could note that, while maintaining the quality of federal judges by keeping their incomes above a certain level helps ensure an independent judiciary, no legislator will leap to reward judges who seem bent on stripping Congress of its constitutional role, or to cancel laws that members worked hard over many years to craft and enact. Finally, Roberts' perfidy, if it continues, should drive Leahy and his Democratic colleagues to make clear that they have no intention of being conned again into confirming a smooth-talking nominee who pledges to check his conservative politics at the courthouse door.

Liberals and moderates, as well as responsible conservatives, share a strong interest in keeping the judiciary, and the Supreme Court in particular, from being widely viewed—as it is now widely viewed—as simply an arena for the pursuit of political ends by other means. Evidently, John Roberts is testing the political waters to gauge whether aggressive public relations will be sufficient to reverse that perception. Will he choose to simultaneously steer the Court toward stretching the law to undermine six decades of liberal reform legislation and decisions and to erect barriers to new reforms? Such a campaign, though audacious, would not lack historical precedent; indeed, it would replicate the mission set by the Supreme Court for itself during the first third of the 20th century, when its right-wing jurists struck down myriad state and federal social and economic reforms. Their efforts succeeded handsomely until the late 1930s, when their reactionary constitutional jurisprudence was finally buried by President Franklin Roosevelt's public attacks, judicial retirements, and lopsided Democratic election victories.

If the new chief justice's public-relations offensive is to be believed, that's not the kind of Court for which Roberts seeks to be remembered. As he told Jeffrey Rosen in the January/February 2007 *Atlantic Monthly*, in Rosen's companion book, *The Supreme Court*, and on public television, he aspires to emulate the consensus-building virtuosity, and consequent historical stature, of the early-19th-century icon Chief Justice John Marshall. It is hardly surprising that a new chief justice with Roberts' exceptional professional skills, longtime involvement with the Court, and presumptive longevity would aim for a verdict of Marshallian “success” in future history books. But as one liberal advocate who had cautiously supported Roberts' confirmation recently observed, “He can be John Marshall or he can be a knee-jerk right-winger—but he can't be both.”

Congress must make sure that the chief justice gets that message. **TAP**

Simon Lazarus is public-policy counsel to the National Senior Citizens Law Center.

Can Block Clubs Block Despair?

Why do some poor communities fall apart while others cohere? Community organization can make a difference—up to a point.

BY EYAL PRESS

ONE BRIGHT SPRING MORNING, Peter St. Jean set out on an unusual scholarly expedition. St. Jean is a sociologist at the University of Buffalo who studies the relationship between concentrated poverty and crime. He drives a maroon Nissan Pathfinder, which that morning he'd loaded up with video cameras, two mounted on tripods and pointed out the rear side windows and one more up front, fastened with Velcro to the center of the dashboard.

"This way we'll see every angle," explained St. Jean, a 39-year-old man of Caribbean origin with a shaved head, thick, muscular arms, and the compact build of a wrestler.

St. Jean wasn't at work on a documentary. He was doing field research, and had invited me to tag along as he gathered footage on an SSO run, or "systematic social observation," a method of capturing on hidden camera the physical characteristics and social activities in a neighborhood.

He pulled out of the driveway of his ranch house in Williamsville, a suburb where he lives with his wife and two children on a tree-lined cul-de-sac bordering a creek. We were heading toward a very different place: the east side of Buffalo, the poorest part of a city that has seen its population shrink and its tax base plummet at alarming rates in recent decades. "Enjoy this feeling," St. Jean said as we turned onto Williamsville's Main Street, passing boutiques, a shopping plaza, and a beauty salon. "You won't have it for long."

Sure enough, as we neared the city, the landscape altered. We passed an empty lot overrun by weeds, then another strewn with garbage. The boutiques gave way to liquor stores and boarded-up buildings, many emblazoned with graffiti: "DUCE." "CRIP." "DANGER!"

Before becoming a sociologist, St. Jean spent 12 years in the U.S. military: He's used to navigating his way through treacherous environments. After half an hour, he pulled up in front of a house with a partially collapsed roof where, he said, a few months



Sign of Progress: Community organization in working-class Buffalo

earlier the body of a woman named Michelle Hicks had been found bearing signs she'd been strangled. The block looked run-down and desolate, the kind of place where it was all too easy to imagine a homicide happening.

St. Jean started driving again. He turned on to a street, only a few blocks over, that looked very different. The lawns of the row houses lining it were neatly trimmed. The garbage was arranged in tidy stacks in garbage cans. Trees had been planted along the divider, and some of the dwellings sported their own gardens. At the entrance to the street was a sign: "Help Us Keep It Clean." It had been placed there by a block club, a grass-roots organization formed to encourage neighbors to meet and discuss their shared concerns. No major crimes had taken place on this street in recent memory, a fact St. Jean attributed to the higher level of trust and cohesion among its residents.

Can such a seemingly mundane factor explain why one block in a neighborhood is safer than another? For several decades, the

debate over the myriad problems of America's inner cities has been dominated by two schools of thought: on one side, liberals who have emphasized the structural factors (racism, poverty) at their root; on the other, conservatives who've stressed the behavioral pathologies (out-of-wedlock birth, criminality) they believe are to blame. Yet over the past decade, a new theory has emerged to explain why some areas fare better than others even when their residents face similarly daunting odds. It stresses neither jobs nor personal behavior but something at once more elementary and more difficult to capture: the nature of the social interactions taking place among neighbors, and the degree to which they foster a shared capacity to solve problems and enforce collective norms. These qualities appear to have a powerful effect on everything from the level of violence in a community to the conduct of adolescent youth to the likelihood that a neighborhood will remain poor, which is perhaps why a growing number of scholars and policy-makers are interested in teasing out what exactly fosters such traits.



THE FIRST INDICATION OF THIS DYNAMIC CAME NEARLY A decade ago, in August 1997, when the journal *Science* published a seven-page article titled “Neighborhoods and Violent Crime: A Multilevel Study of Collective Efficacy.” It reported some findings from one of the largest social-science research experiments ever launched in the United States.

The experiment took place in Chicago, where, in the mid-1990s, surveyors fanned out into 343 “neighborhood clusters”—geographically contiguous tracts consisting of roughly 8,000 people each—to interview thousands of residents. One of the elements the surveyors were measuring was the level of “social cohesion and trust” in a community. To gauge this, surveyors asked residents to rank, on a five-point scale, how strongly they agreed or disagreed with a series of statements: “People around here are willing to help their neighbors”; “This is a close-knit neighborhood”; “People in this neighborhood can be trusted.” A second set of questions sought to measure “informal social control”—the capacity of adults in a community to work together to achieve a sense of public order. Here, individuals were asked how likely they thought their neighbors were to intervene in various situations: when a fight broke out; when someone was spray-painting graffiti; when the local fire station was threatened with budget cuts. Researchers supplemented the interviews by crisscrossing the city in vans fitted with video cameras to conduct systematic social observation of street life in various neighborhoods.

The results of the survey were striking. Throughout Chicago, the levels of violence and social disorder were markedly lower in communities where the sense of social cohesion and shared expectations about the willingness to intervene were higher—qualities that, taken together, constituted something the designers of the experiment called “collective efficacy.” This was true in some predominantly black neighborhoods as well as in several white ones. It applied to some middle- and working-class communities, but also to some of the poorest neighborhood tracts examined. And it appeared to explain why similarly impoverished neighborhoods do not always share the same fate: When researchers compared two neighborhoods with similar levels of concentrated disadvantage (unemployment, percentage of welfare recipients) but different levels of collective efficacy, they found that in the neighborhood where collective efficacy was higher, the odds of being victimized by a crime were 30

percent lower. The chance of being murdered was 40 percent less. The absence of collective efficacy, the study found, correlated even more powerfully with some types of violence than did poverty or race.

“I consider it one of the most important criminological insights in the last 20 years,” said Jeremy Travis, president of the John Jay College of Criminal Justice.

Jeanne Brooks-Gunn, co-director of the Institute for Child and Family Policy at Columbia University, described the study’s impact to me as “huge.” Brooks-Gunn is a psychologist who studies childhood development. She has published papers showing that collective efficacy can play a role in delaying the age of sexual initiation among youth, particularly among adolescent girls. She said there are studies under way evaluating its effects in six countries, including Belgium, the Netherlands, and Canada.

COLLECTIVE EFFICACY IS A VARIATION ON A CONCEPT known as “self-efficacy” that was coined several decades ago by a Stanford University psychologist named Albert Bandura. Bandura postulated that individuals are capable of overcoming any number of disadvantages if they believe their actions will make a difference in their lives. Studies showed that when children were convinced they could solve math problems, for example, they were more successful at solving them than peers with more talent who doubted their own abilities. “A resilient sense of efficacy enables individuals to do extraordinary things by productive use of their skills in the face of overwhelming obstacles,” Bandura observed.

Over tea one day, Felton Earls, a professor of social medicine at Harvard who co-authored the original *Science* article, told me that collective efficacy applies the same insight to neighborhoods and groups. It’s a theory that emphasizes the capacity of residents to overcome obstacles on the basis of shared expectations—specifically, that they can work together for the common good. A small African American man with dark, pensive eyes and a neatly trimmed gray beard, Earls grew up in New Orleans, in a black community that was far from affluent. “But we didn’t think of it as poor,” he told me. There were “no gangs, no drugs,” he said, “There were many indications of high collective efficacy, and by that I mean supervision of kids. There was music. There was church.”

Collective-efficacy researchers like Earls don’t claim that



A Tale of Two Buffalos:

Both inner-city, but one organized and the other not

structural factors like racism and poverty are unimportant. What they do contend is that even people facing severe disadvantages have the capacity to organize

themselves in ways that can make a tangible difference, both at the neighborhood level and on individual blocks. A few years ago, a graduate student at the University of Chicago decided to measure the level of collective efficacy on different streets in one community, Grand Boulevard, a poor, mostly black neighborhood on the South Side of Chicago. That student was Peter St. Jean. In his forthcoming book, *Pockets of Crime*, St. Jean shows that some blocks in Grand Boulevard have much higher levels of collective efficacy than others, and that these areas tend to be less dangerous.

But what exactly was at work on those safer blocks? Earls told me that back in 1997, shortly after the article in *Science* appeared, he was called in to a meeting with then-Attorney General Janet Reno. “Reno said, ‘I don’t like that term *collective efficacy*, but what you’ve found seems very important,’” he recalled. “Then she said, ‘How do you produce it?’”

The answer, some scholars believe, may lie in the formation of grass-roots organizations, particularly in poor communities at greatest risk. “What makes collective efficacy necessary in the first place?” St. Jean asked me over lunch after our SSO tour. “It’s usually when a block or community is under challenge and when public authorities haven’t dealt with things. Garbage doesn’t get picked up, resources are missing, people are unsafe. So people are forced to organize, collectively.”

One evening last spring, I accompanied St. Jean to a meeting of one such group, a block club called the Trinidad Neighborhood Association. The meeting was held in a small room with bare white walls tucked inside a low-slung concrete building, normally a park shelter, on the east side of Buffalo, not far from the area we’d seen on our SSO run. About 20 people, many of them African American women, sat in chairs haphazardly arranged around a table. They watched as a woman in purple sweatpants spoke with a community activist from a housing organization about the logistics of getting her building painted. The activist’s two young daughters doodled with crayons in a coloring book as she spoke, glancing up on occasion to see if it was time to go yet. Some of the adults in the room looked tired, others glassy-eyed and bored. But nobody got up to leave.

Enough had evidently seen the positive impact of the block club’s presence (weekend night patrols of men from the neighborhood, coordinated efforts to foreclose properties inhabited by drug dealers) to turn out for such gatherings.

There is a school of social-action theory, grounded in the work of the legendary community organizer Saul Alinsky, that argues that lasting social change can only come from self-empowerment at the grass-roots level, not least because underprivileged people can’t rely on others to help them out. At the block-club meeting, Lisa Banks, head of the Trinidad Neighborhood Association, seemed to be reading from the Alinsky handbook when, after St. Jean introduced himself and explained that he was conducting a study of groups like theirs, she expressed a desire to learn one particular thing: “How do we empower ourselves versus having someone else do it for us? That’s what I want to know.”

After the meeting, St. Jean underscored the transformative potential of the sentiment she’d expressed. “Did you hear that?” he asked me, slapping his hand on the steering wheel of his Pathfinder for emphasis. “It’s a point of pride. The people in that room don’t want handouts; they want to learn to do things for themselves.”

THE RESEARCH ON COLLECTIVE EFFICACY INDEED IMPLIES THAT government programs won’t necessarily alter the dynamics in poor neighborhoods. But if this is what collective efficacy is ultimately about, should policy-makers just sit back and leave it to poor people to fix their problems themselves? Was Banks reading from the handbook of Saul Alinsky or of The Heritage Foundation?

The emphasis on getting individuals to take action certainly could play into the hands of conservatives who believe that the only thing poor people need to turn their communities around is a bit more pluck and resolve. Focusing on the social dynamics *within* neighborhoods also risks obscuring the larger structural inequities poor communities face. On the other hand, as even many progressive scholars who study urban poverty will admit, while structural inequality surely matters, it doesn’t explain everything. Insisting otherwise can have the perverse effect of robbing poor people of agency—and of obscuring important differences among neighborhoods that racial and economic factors can’t explain.

Collective efficacy offers scholars and policy-makers a way to talk about such differences without playing into the reductive

RELIGIOUS FREEDOM AND THE CONSTITUTION

CHRISTOPHER L. EISGRUBER
AND LAWRENCE G. SAGER

With Equal Liberty as their guide, the authors offer practical, moderate, and appealing terms for the settlement of many hot-button issues that have plunged religious freedom into controversy. Their book calls Americans back to the project of finding fair terms of cooperation for a religiously diverse people, and it offers a valuable set of tools for working toward that end.

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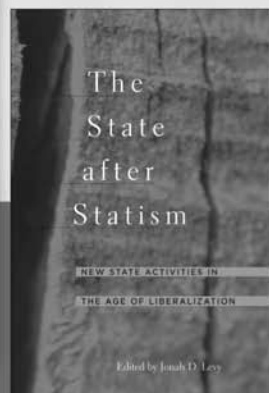
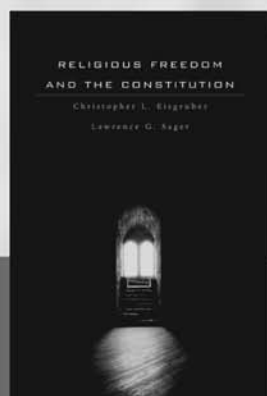
THE STATE AFTER STATISM

New State Activities in the
Age of Liberalization

EDITED BY JONAH LEVY

Against a widespread understanding that contemporary developments, such as globalization and new technologies, are pressing for a rollback of state regulation in the economy, the book shows that these same forces are also creating new demands and opportunities for state intervention. Thus, state activism has shifted, rather than simply eroded.

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“culture of poverty” cliché or necessarily discounting the significance of other variables. In fact, the 1997 article in *Science* acknowledged that neighborhood activities can accomplish only so much. “Collective efficacy does not exist in a vacuum,” it stated, but “is embedded in structural contexts and a wider political economy.” One thing that undermined social cohesion, the authors noted, was a high rate of residential instability, a common problem in the poorest neighborhoods, which is why efforts to promote homeownership mattered.

So do policies that reduce racial segregation. According to Robert Sampson, a sociologist at Harvard who helped design the Chicago experiment, middle-class black neighborhoods tend to be less stable than middle-class white neighborhoods because they are far more likely to be surrounded by areas that are low-income, low in collective efficacy, and segregated.

Not long ago, I visited North Kenwood/Oakland, a neighborhood on the South Side of Chicago, in Sampson’s company. A decade ago, this area was a blighted war zone through which many people in neighboring Hyde Park, home to the University of Chicago, feared to drive. It is no longer that way.

“This is just amazing,” marveled Sampson as we passed a sunlit park where kids were playing on swings, “because this was all a no-man’s land not long ago. Visually, what you have to imagine is block upon block of empty lots and abandoned buildings.” On the day of our visit, what greeted the eye—in addition to the park, some basketball courts, and a bevy of attractive brick townhouses—were tractors and bulldozers cordoned off behind scaffolding and brightly painted billboards advertising posh new apartments (“Elegant Eight-Room Townhouses,” “New Wave of Contemporary City Living”) that would soon be going up for sale.

What changed? One thing is collective efficacy, which researchers from the Project on Human Development measured again in 2002, seven years after the survey cited in the *Science* article was conducted. North Kenwood/Oakland showed the single biggest increase of any neighborhood in the city, Sampson told me. “I think a lot of that has to do with optimism, a vision of things turning around,” he said.

But the optimism didn’t arise out of thin air; government intervention and investment by the private sector also played a role. In 1998, North Kenwood/Oakland residents cheered as a cluster of high-rise projects were torn down. Mixed-income housing was built. Developers who’d long shunned the neighborhood started pouring money into it, not least because people who were more affluent began moving in. Although the neighborhood is far from upscale, it’s not as segregated as it once was, or as poor.

After having lunch at a restaurant in Hyde Park, Sampson and I made our way to Englewood, an impoverished neighborhood where little has improved of late. Along the main drag, Ashland Avenue, the only businesses seemed to be funeral homes and the occasional storefront church. We pulled up to a stoplight, and a man in tattered jeans, a torn T-shirt, and oversized sneakers appeared, lurking ominously on the edge of the road. He stared vacantly into the distance, then hopped the curb and started zigzagging erratically through traffic. Mercifully, when the light changed, the man bolted away from the onrushing cars, sprinting at full speed back over

the curb until he tripped and sprawled out on the sidewalk.

Sampson let out a sigh. “This community rates very high on our cynicism and desperation measures,” he said. “The idea that people don’t care about each other, that you’ve got to watch out for yourself, is very widespread.” A month before our visit to Englewood, a 10-year-old girl named Siretha White was killed by a stray bullet while standing in her aunt’s home. Eight days earlier, another fatal shooting had occurred. Afterward, residents organized a march against violence.

“It’s not like people here don’t care,” said Sampson. But turning the community around will require “some outward stimulus, investment, an institutional neighbor with resources.”

We were about to head off to another area when Sampson suddenly made an abrupt right turn, then another, then a third. “Hold on,” he said. “Did you see that?” I hadn’t, but what Sampson had spotted, at the entrance to one of the streets, was a sign for a block club: “No Loitering, Gambling, Drugs, Gangs.” A few blocks over, young men had been hanging out on the crumbling stoop of a boarded-up building. Not on this block, though, which alone among the streets in Englewood we’d seen did not have a single abandoned unit on it. “It’s like this little island,” said Sampson, “and I’ll bet you dollars to doughnuts there’s less crime on this block than the ones surrounding it.” He made a mental note of the exact location. “I feel like going back to interview the people here. I want to know what the reaction has been. And why this block but no others?”

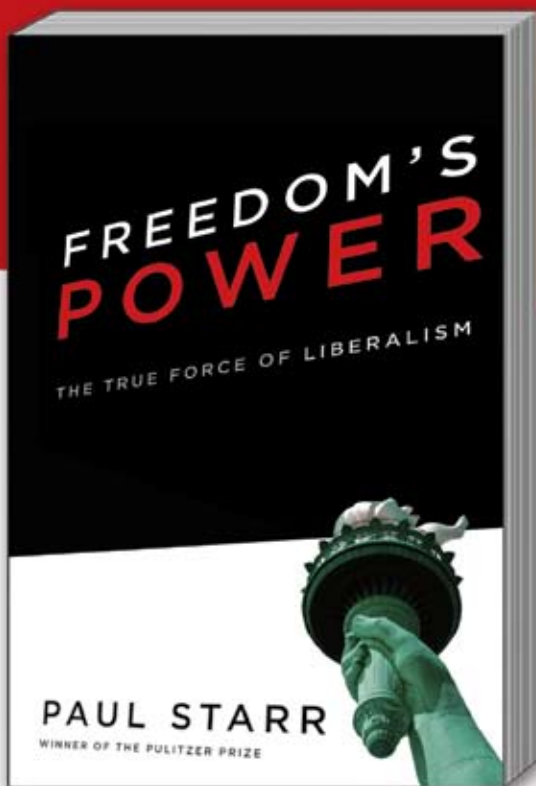
It’s possible, of course, that a single block club in a place like Englewood can’t ultimately counteract the range of negative

forces pressing down on it and other, similarly destitute communities. Yet one of the most intriguing findings of the Project on Human Development in Chicago Neighborhoods is that an area’s collective-efficacy ranking turned out to be an extremely accurate predictor of future prosperity—or lack thereof. Communities that ranked near the bottom in collective efficacy in 1995 were virtually all poor five years later; those that ranked higher had all shown improvements. A community’s future well-being was more closely tied to its present-day level of collective efficacy than to its present-day level of poverty.

Implicit in the work on collective efficacy is the idea that poor people are not merely the products of their environments but also have the capacity to shape them. That is why Felton Earls and other researchers at Harvard are conducting an experimental project designed to spur collective efficacy in Tanzania. It is why Peter St. Jean is undertaking a study of block clubs in some of the most impoverished pockets of Buffalo.

A decade after welfare reform, many people may have forgotten that the urban poor exist, or may have concluded that they are simply beyond saving. Perhaps this would change if we recognized that the effort to save them can sometimes be a condescending impulse: that strong communities exist in some places where outsiders don’t expect to find them, and that, where they don’t, it is neither naïve nor quixotic to imagine intelligently designed policies that can help ensure they one day will. **TAP**

Eyal Press is a contributing writer at The Nation and the author of Absolute Convictions, just out in paperback from Picador.



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Culture & Books

“Changing our nature to fit the world,” Sandel concludes, ‘deadens the impulse to political improvement.’ But can’t we walk and chew gum at the same time?”

— PAGE 41



What, Us, Worry? Hannity, O'Reilly, and Limbaugh ignore reality but say it's the Democrats fault.

MEDIA

BLOWING OFF THE WAR

Conservatives know virtually nothing about Iraq or the Walter Reed scandal if they get their news from right-wing media. But they do know that Democrats are to blame.

BY PAUL WALDMAN

YOU MIGHT HAVE HAD THIS EXPERIENCE at one time or another: Armed with an opinion you may not have thought much about, you find yourself arguing with someone who disagrees with you on a topic of cur-

rent events. As the debate proceeds, you begin to understand that you're actually wrong. The arguments you make to support your position grow thinner and less germane, shot down easily by your adversary, to the point where you know

you've lost. You look anxiously around at those who are listening, wondering if their opinion of you will be forever diminished.

What to do? Surrender, and lose face by admitting you don't really know what you're talking about? Soldier on, and risk looking more and more foolish? Neither option is particularly appealing. And what if the topic in question is one on which you have practically staked your entire career—one whose outcome threatens not only the health of your political party but your entire ideological worldview? What would you do then?

As it happens, this is precisely the position that conservative media figures—radio hosts, television talking heads, the corps of right-wing pundits—find themselves in when it comes to the most important issue of our time: the war in Iraq. And for them there is, of course, one other option left: Blame the other guy.

“We are the United States of America!” shouted Rush Limbaugh on a recent show. “We never lose unless we defeat ourselves!” And who is at fault if we do? Democrats, the people Sean Hannity calls “the party of appeasement, surrender, and defeat.” Nearly every day, Limbaugh says that the Democrats “own defeat”—so if it comes, it will be theirs. Democrats are “setting themselves up for a powerful embarrassment ... They have aligned themselves on the sides of America's enemies. They own defeat of the United States of America.”

(Hannity's shameless GOP spinning on FOX has an almost admirable purity to it. On his new weekend show, *Hannity's America*, regular segments include “Enemy of the Week”—first called “Enemy of the State”—highlighting a liberal who had raised the host's particular ire, and “What Would Reagan Do?” The set contains a dozen television screens

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on which electronic versions of Old Glory continuously wave.)

Blaming the liberals is the conservatives' old standby, one they need now more than ever. As the months drag on, as the deaths pile up, as every moment of hopefulness is followed by a new descent into violence and despair, the stalwarts of the conservative media bring their fight to the domestic enemy with unflagging

to something bad that "Congress" is doing, Limbaugh interrupts to correct them with "Democrats in Congress." He asked one father not long ago if his son and other soldiers grow angry "when they see what the Democrats in the House are doing and how they're smiling and gloating over securing what they think is defeat."

If this is the way the world is divided, a

A laser-like focus on the sins of the war's opponents necessitates ignoring news from Iraq when it might be disheartening, which is pretty much all the time.

vigor. In the process, Iraq itself recedes into the background. Instead, the discussions revolve around what Democrats are doing to harm the war effort and undermine the troops.

And there is always time for an attack on the media, the liberals' partners in crime. One recent CBS report, said Hannity, was "designed to, as far as I'm concerned, work with the Democrats in Congress, embolden the enemy, undermine the troops." Bill O'Reilly sees a more terrifying conspiracy. "We are being lied to on a daily basis by the media," he said, "as far-left fanatics have assumed power in places like NBC News and *The New York Times*."

What exactly are these outlets doing that contribute to our defeat? They are reporting on the war, in all its ugliness. Their stubborn insistence on reporting the news makes America's enemies feel good, makes our troops feel bad, and saps our will. There are no apolitical actors in this drama: Either you're with us or you're with the enemy, whether you're a journalist, a Democrat in Congress, or any ordinary citizen who opposes the war.

No one beats this drum more regularly than Limbaugh, whose show is heard by 13.5 million Americans every week, according to *Talkers* magazine. Parents of soldiers often call in to Limbaugh's show, and his typical questions to them revolve around whether they're mad at Democrats for betraying the troops. If one of these parents refers

story like the Walter Reed scandal leaves the conservative media in a quandary. Standing up for the troops would mean not just criticizing the administration but criticizing it for the very sin—not supporting the troops—of which only liberals can be guilty. The way out has been to say as little as possible.

The Washington Post broke the story of the dilapidated conditions at the Walter Reed Army Medical Center on February 18. There was an immediate tidal wave of news coverage, but O'Reilly waited until March 6 to mention the scandal on his show. "We're investigating that," he said, with the promise of more information to come. After nearly two weeks, on March 19, he said again, "Walter Reed was a very disturbing situation. And we're investigating." Eleven days later, he presented the results of his "investigation," 89 words concluding that "the Bush administration was not prepared for the casualties the U.S. military has taken in Iraq," which amounted to just "another example of a huge bureaucracy failing to be efficient." Case closed. In the meantime, O'Reilly has found plenty of time for attacks on Cindy Sheehan, whom he goes after about once a week.

Similarly, nary a Walter Reed word about it has passed the lips of Hannity, who quickly changes the subject whenever it arises, though guests on *Hannity* & *Colmes* brought up the hospital on a couple of occasions. After one spirited argument between two guests that included a back-and-forth on the scandal, Hannity

ended the discussion by saying, “You’ve got to wrap it in one thing: emboldening appeasement Democrats. Appeasing Democrats.”

This laser-like focus on the sins of the war’s opponents also necessitates ignoring news from Iraq itself when it might be disheartening, which is pretty much all the time. For instance, on Saturday, February 3, an enormous truck bomb ripped through the Sadriya market in central Baghdad, killing 135 people and wounding 300 more—the deadliest single bomb attack since the war began. On his next show, that Monday, Limbaugh didn’t mention it, but did find time to say, “The Democrat[ic] Party today remains invested totally in our defeat in the Iraq War, and the larger ‘war on terror.’” Looking optimistically to the next war, *Headline News* host Glenn Beck said that night, “Everybody is missing the point ... It’s never been about Iraq. It’s about Iran.”—but he didn’t bring up the Sadriya bombing, either. Nor was it mentioned on *Hannity & Colmes*; nor on that weekend’s *Beltway Boys*, the show hosted by Fred Barnes and Morton Kondracke; nor on *The Big Story with John Gibson*, FOX’s 5 p.m. bush-league, imitation-O’Reilly offering; nor on *The O’Reilly Factor* itself.

Four years into the war, there are cracks in the conservatives’ armor. A few, like MSNBC’s Joe Scarborough, were against the war from the beginning. Others have begun to look inward, like *National Review* Editor Rich Lowry, who in December chastised his fellow conservatives for “los[ing] touch with reality on Iraq ... Conservatives need to realize that something is not dubious just because it’s reported by *The New York Times*.”

Which leaves the likes of *Hannity* and Limbaugh, who still defend the administration without reservation, exuding a heightening sense of desperation, at times verging on the pathetic. As Beck said in March, “Everybody is showing you wall-to-wall bad news. Not us. I’m not going to lose myself to the nightmare.” And he’s not the only one feeling blue. “When I actually stop to think that there are Americans like you, I get

depressed,” Limbaugh told a recent caller who opposed the war.

Last June, Kevin Baker wrote in *Harper’s* about the “stabbed in the back” myth, the conservative belief that every foreign-policy blunder must be blamed on the actions of the perfidious liberals who eat away at America from the inside. The construction of the Iraq War version of the stabbed-in-the-back myth is proceeding along nicely, spurred on by the conservative talkers who have made it the anchor of their repertoire. (And sometimes in that very language: *Hannity* recently told a Democratic Party consultant on *Hannity & Colmes*, “140,000 troops are in Iraq suffering because of the backstabbing of your party.”)

Over the conservative airwaves, every disagreement is a fight to the death, and everyone with a different opinion must have sinister motives. Anger, resentment, contempt, and ridicule are the engines that drive successful talk radio.

BOOKS

OUR BODIES, OUR CHOICES

THE CASE AGAINST PERFECTION: ETHICS IN THE AGE OF GENETIC ENGINEERING BY MICHAEL J. SANDEL, Belknap Press, 162 pages, \$18.95

BY MELVIN KONNER

MOST RELIGIOUS TRADITIONS today not only accept advances in medical science but regard them in some sense as a moral imperative. Christians say, “God helps those who help themselves,” Jews are urged to “repair the world” (and even to complete the work of creation), and the Dalai Lama famously reveres science and expresses doubts about elements in his own great religious tradition when they seem to conflict with science’s findings.

This was not always the case. Medieval Catholic clerics warned that medical treatment betrayed a lack of faith and deemed it incompatible with holy orders. Edward Jenner’s invention of inoculation, in the 1790s, met with wide religious condemnation on both sides of the Atlantic on the grounds that inoculation

Conservatives still dominate this format, augmented by the conservative hosts of 13 cable-TV talk shows (while the number hosted by progressives, if you count Keith Olbermann, is one).

There may not be a lot of clear-eyed analysis of Iraq on the dial, but if you’re a Bush partisan, you can find plenty of comfort. The political figures you admire are not dishonest, bumbling incompetents; they are strong and resolute, moral and righteous. Their defining project is not a disaster but a noble crusade experiencing some temporary bumps on the way to a glorious victory. These are the things you will learn. And most importantly, you’ll know whom to blame when it’s all over. **TAP**

Paul Waldman is a senior fellow at Media Matters for America and the author of Being Right Is Not Enough: What Progressives Must Learn From Conservative Success.

usurped God’s power over life and death, and that only hypocrites could accept it and still pray. The 19th-century Scottish Calvinist church reviled the use of chloroform to assuage the pain of childbirth as a “Satanic invention” that subverted God’s design.

Like Prometheus, Jenner gave humanity a new kind of power—and, for most of history, the Christian God could apparently be offended just as Zeus could. But today only a few medical Luddites think Jenner burns in hell; most believers think of him and other medical scientists as God’s assistant healers, something like the residents in a surgical suite handing the senior surgeon instruments and closing up after the serious work is done.

Still, this history, in which right-thinking clergy deemed the greatest

advances in medicine the greatest affronts to God, is instructive. Then, as now, some scientists were “playing God,” egregiously trying to control life and death, to tinker with birth, pain, and suffering—God’s business, if anything is—and thereby undermining not just faith but the order of the world.

Many argue that today is different, and in some ways it is. Control of biological processes is greater than ever, and will be greater still. In many species,

genes can be knocked out and socked in, and a growing Noah’s ark of animals can be cloned. Cells can be sucked from early embryos and, perhaps, turned into engines of organ repair. Few mothers need to ask, “Is it a boy or a girl?” in the delivery room, as prenatal knowledge becomes universal and deliberate opting for one or the other sex becomes more common. Sperm banks give women or couples control over countless characteristics of their not-yet-conceived unborn offspring, and, through in-vitro fertilization, choice is possible even when the egg and sperm are your own. Growth hormone makes short children taller whether or not they have a deficiency, and eventually an inserted gene will boost their own supply.

Surely a God with the power to make even kings tremble must be glaring down on all of this, thinking *enough is enough*. Or at least there must be a troubled inner voice raising some fundamental moral questions. Michael Sandel certainly hears that voice. A Harvard political philosopher and former member of President Bush’s Council on Bioethics, he has written a book of reflections—a meditative essay, really—on the moral questions raised by these new technologies, among others. In general, he is uncomfortable with the technologies and, like the members of the president’s council, he holds firm opinions against them. I find neither his arguments nor theirs persuasive.

Despite the subtitle—*Ethics in the Age of Genetic Engineering*—much of *The Case Against Perfection* goes beyond genetics. A sports enthusiast, Sandel asks if extraneous enhancements—whether steroids or genes—are in the spirit of the game. Aren’t we looking for truly human competition, human excellence? Don’t the medical adulterations take that away?

Perhaps, and certainly the arbiters of the games are trying to keep bio-finagling at bay. But Sandel himself observes that shoes were once thought adulterants of the skills of track and field. Do we think that the millions who pay good money to watch Barry Bonds slug away at 98-mile-an-hour pitches are fools to do so because of the steroid

scandal? Or do they just not care as much as bioethicists think they should?

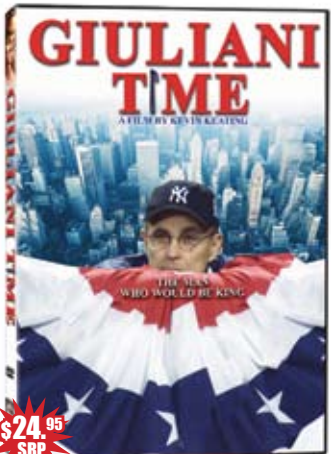
When I watch basketball giants jumping to score points from an 11-foot height, knowing that the tallest men of the past reached perhaps 6 feet, am I watching human or superhuman players? When I consider that the best football players of 1920 could not survive on a modern gridiron, do I think that scientific methods of coaching, selection, nutrition, and exercise have violated the essence of the sport? Drugs are different, but, having no crystal ball nor being able to read the minds of hundreds of millions of sports fans, I don’t know whether steroids will be successfully forbidden. Time and sports fans will tell. Perhaps one day there will be parallel halls of fame for “enhanced” and “naked” versions of the games.

We see the phrase “gene manipulation” and think we are in a Frankensteinian realm that has never existed before. In a technical sense that is so. But more fundamentally, there is no intrinsic difference between inserting genes and inserting steroids—steroids work by turning genes on anyway—as long as the inserted genes are targeting muscle and bone, not eggs and sperm. The manipulation of genes in muscle and bone is a form of medication, legitimate or otherwise. Yes, there is a new technical principle involved, but it’s still basically medication.

Growth hormone works well, and it could conceivably raise the ante of height in basketball if an eager sports-minded parent of a 6-foot-tall middle-school player gets his or her hands on it. But should the coach turn away a talented kid because his father got him growth-hormone injections? Or will the alumni still pay to see the slam dunk?

What else should moral philosophers condemn? How about the nose job a beautiful friend of mine had as a teenager, which has made her feel a little phony ever since? How about the breast reduction one of my daughter’s friends had recently because she was both embarrassed by the size of her chest and limited in athletics and dance? How about the people I know on Wellbutrin? Viagra?

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Philosophy is a noble and heartfelt exercise, but life is life, and people enhance it—always have, always will. What it really comes down to in the end is personal choice. Do I think that should be limitless? No. But I am glad that when my daughter's friend talked with her parents and her doctor about her breasts, no philosophers showed up. If they were freely consulted, fine—but otherwise it's none of their business.

Now we come to something harder.

Germ-line therapy—tweaking genes in eggs and sperm—is different because those genes are forever. If you give me a gene as a teenager to bulk up my biceps, my kids may still be born weaklings. Tweak my sperm, and my babies will likely have big biceps, as will their babies, and theirs. This is a eugenics that eugenicists never dreamed of.

We have a version of it already. We can identify many genes we consider bad—for Tay-Sachs disease, say, or cystic fibrosis—and abort the fetuses, or select away the embryos during in-vitro fertilization. Even anti-abortion ethicists seem to have little trouble with the latter tactic. Few would shed any tears if Tay-Sachs, which horribly destroys the brain and kills before age 2, were never seen again. But consider bipolar and other mood disorders: Sufferers and their relatives tend to be more creative than average. If we eliminated bipolar genes, what else would we eliminate? The line between illness and variety is not always neatly drawn.

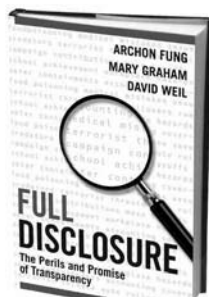
Sandel, like the bioethics council on which he served, takes a dim view of any form of enhancement. He casts a jaundiced eye on parents who put their kids in certain kindergartens to prime them for Princeton and Harvard, and on the notion of “a Viagra for the brain.” I might think those parents foolish, but it's their kid and their money. And if a brain enhancer existed, at 60 I would go to the ends of the earth to get it.

One form of “genetic” enhancement especially irksome to Sandel is choosing eggs or sperm on the basis of the health, brains, and beauty of the donors. But this practice is little more than a technological extension of mate choice. Those who can have always chosen their mates—and therefore eggs or sperm—using the same criteria. Technology makes it different, but why not extend access to desirable qualities to those who, in the context of natural mate choice (discrimination in both senses of the word), cannot get them?

We can't assume we know in advance

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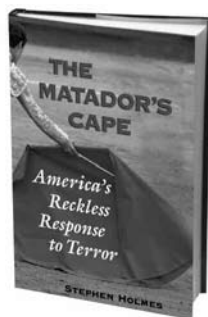
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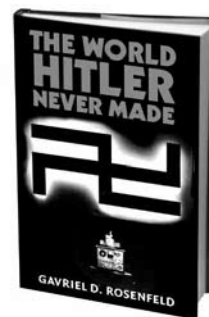
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the consequences of our newfound reproductive freedom. A sperm-sorting company helps prospective parents bias their chances for a boy or a girl; most customers want girls. And Sandel opens his book with the case of a deaf couple who wanted a deaf child and found a sperm donor with hereditary deafness. As the hearing child of deaf parents, I was saddened by the story, but I don't see

Gender selection in India is indeed worrisome: The proportion of females there is dropping precipitously, and the consequences a generation from now could be dire. But sex selection per se (as opposed to one of its methods, abortion) is a political-economic matter, not an ethical one. And as the great evolutionary theorist Ronald A. Fisher showed, skewed sex ratios right them-

If openness to "the unbidden" means the reproductive roulette that gave us Tay-Sachs disease, good riddance to it; I won't miss it one little bit.

it as very different morally from a deaf woman choosing that same man as her husband. Sandel opens the book with this case, apparently to shock us; in my view, however, all it does is highlight the fact that individual human beings make individual choices.

Sandel, like most who oppose enhancement, improperly invokes the eugenics of the early 20th century (and even that of Hitler) to bolster his argument. But as he himself points out, the new technologies dwell in a completely different moral universe. A state-run, mandatory program of sterilization to cull the "unfit" against their will has nothing whatever to do with offering individuals options. After our last benighted century, few of us could countenance eugenics-by-mandate.

Reproductive technologies, however, are not about state coercion but about the opposite; the question is not whether the government will force them on me but whether the government, advised by Sandel and the Council on Bioethics, will step between me and my doctor and stop me from using them. Sandel's counterarguments—that compulsory use of genetic engineering could emerge someday, or that currents in the culture will exert a kind of coercion—are completely unconvincing. If he doesn't like the culture's idea of beauty or intelligence, let him change the culture. To his credit, he points out that moral philosophers as different as John Rawls, Robert Nozick, and Ronald Dworkin accept forms of genetic enhancement.

selves as competition for the scarcer sex intensifies. In humans this will likely happen faster, as many parents who choose sons realize that they will have no grandchildren.

In an epilogue, Sandel briefly treats a truly ethical issue: the status of the fetus. If killing a fetus—whether for personal or research purposes—is killing a person, it is obviously wrong, and both state and church can intervene. The trouble is that we differ about whether a fetus is a person. President Bush and the council that serves at his pleasure are heavily biased on this issue against both abortion and stem-cell research, but the majority of the country, as represented in polls and in Congress, has the opposite view. As Sandel points out, people who accord the fetus personhood are inconsistent: If destroying embryos is murder, embryonic wastage must be death. Where are the sacraments and the grieving for late menstrual periods, a large proportion of which contain early embryos?

Sandel favors embryonic stem-cell research. But in any case, now as in the past, religious opposition will not retard legitimate science very much. California and other states, private corporations, and many nations are pressing ahead with this research—a consensus that perhaps should inform our ethics—and the main long-term effect of Bush's ban will be to export a few future Nobel Prizes.

Sandel wants us to be open to "the unbidden." But the unbidden used to

include smallpox and crushing childbirth pain, and it still includes horrific genetic diseases. A line needs to be drawn somewhere between discarding a Tay-Sachs embryo and doing the same with one that will probably develop dementia at the end of a long, rewarding life. Philosophers make their most useful contribution when they clarify thought and language, and though Sandel does help clarify some of the issues, his book is replete with unconvincing moral judgments, much like the bioethics that is grounded in theology.

People use SAT prep courses and orthodontics to level the playing field for their children by eliminating irrelevant obstacles. We increasingly see Ritalin and Wellbutrin in a similar light, and we may go on to think the same of growth hormone. I see no intrinsic reason why gene therapy outside the germ line should be different. There will be errors, like the big one we made with estrogen replacement, but they will be scientific errors, not ethical ones, and they will have scientific remedies.

As for our new and expanding suite of reproductive choices, many deem them a declaration of independence from evolution's caprices. If openness to "the unbidden" means the reproductive roulette that gave us Tay-Sachs, good riddance to it; I won't miss it one little bit. As for trying to eliminate stupidity and ugliness, it's fine for nice-looking intellectuals to tsk-tsk others, but if some want to give their children and grandchildren a different future, I won't be standing in their way.

Are there hard choices ahead? Certainly. People must be taught the science, as in any genetic counseling. Eliminate the genes for sickle-cell anemia and you will decrease future generations' resistance to malaria. Eliminate those for bipolar disorder and you will find future generations less creative. Choose boys too often and you will increase crime and forgo grandchildren. These are in one sense ethical issues. We used antibiotics thoughtlessly with unfortunate results. The ethical path is not to stop using them but to use them more judiciously.

There is one overarching ethical

issue to which Sandel gives short shrift: inequality of access. He puts it aside because he wants to develop general moral rules for the procedures themselves. But the weightiest moral problem in the quest for perfection is that, at least under present circumstances, it increases inequality. Evolution itself is unfair enough without giving the fittest a technological boost. So there is a world of difference between a restricted quest for perfection and one open to everyone.

"[C]hanging our nature to fit the world," Sandel concludes, "deadens the impulse to social and political improvement. Rather than employ our new genetic powers to straighten 'the crooked timber of humanity,' we should do what we can to create social and political arrangements more hospitable to the gifts and limitations of imperfect human beings." Can't we walk and chew gum

at the same time? I testified at a Senate hearing in favor of universal health care at the same time that I was paying to straighten my daughter's teeth.

"The crooked timber of humanity" means different things to different people, and we will be talking for generations, if not centuries, about how and how much to try to straighten it. But bioethicists should get off their high horses. Sandel is entitled to his opinions, but he is not entitled to mine. I have to ask myself not just how much perfection to seek but whether I want to live in a world where theologians and philosophers tell me how much I can have. **TAP**

Melvin Konner, who teaches anthropology and behavioral biology at Emory University, is the author of The Tangled Wing: Biological Constraints on the Human Spirit.

BOOKS

ERA OF HOPE AND SORROW

AGE OF BETRAYAL: THE TRIUMPH OF MONEY IN AMERICA, 1865-1900

BY JACK BEATTY, Knopf, 496 pages, \$28.95

WEST FROM APPOMATTOX: THE RECONSTRUCTION OF AMERICA AFTER THE CIVIL WAR BY HEATHER COX RICHARDSON, Yale University Press, 416 pages, \$30.00

BY MICHAEL KAZIN

ARE WE LIVING THROUGH A "NEW Gilded Age"? Although the phrase calls up images of rococo mansions and Victorian etiquette from the late 19th century, liberal commentators have recently turned that era into a potent metaphor for the present. David Remnick made *The New Gilded Age* the title of a collection of essays from *The New Yorker*. Paul Krugman, writing in *The New York Times*, evoked his youth in a more egalitarian, securely middle-class society, and then declared, "But that was long ago. We are now living in a new Gilded Age, as extravagant as the original." Kevin Phillips echoed the charge in a *Prospect* article that blasted "the moral degradation" of the corporate rich and their corrupt dealings with the Bush White House and the Republican Party.

Gustavus Myers and Matthew Josephson would be pleased. As historians on the left, they set out decades ago to indict the most powerful businessmen of the late 19th century for exploiting workers, cheating consumers, and debauching the body politic. Myers' *History of the Great American Fortunes* and Josephson's *Robber Barons* supplied both activists and teachers with the first half of a straightforward tale of ruin followed by redemption: The immoral fashion in which the Carnegies and the Rockefellers stormed into power and incorporated the nation provoked a backlash of mass indignation and a new spirit of reform. That spirit sparked the Progressive Era and triumphed with the New Deal. Movements and legislation friendly to labor and harsh on big business helped produce

the America in which baby boomers like Krugman came comfortably of age.

As his book's title suggests, Jack Beatty, a talented journalist and biographer, aims to revive at least the critical aspect of that literary tradition. "This book," he writes, "tells the saddest story: How, having redeemed democracy in the Civil War, America betrayed it in the Gilded Age."

Not that he doesn't make good use of recent scholarship about subjects his progressive forerunners largely ignored. Foremost among these is the conflict between blacks and whites in the not-so-reconstructed South. Beatty describes in bloody detail how Ku Klux Klansmen massacred former slaves who dared to take part in electoral politics during the late 1860s and early 1870s. He also admires the radical democratic ideology that inspired trade unionists to resist the likes of Andrew Carnegie and emboldened small-scale farmers to challenge the railroad magnates and bankers who preached the divine rights of property and subsidized the politicians who

did their bidding. "To have made such enemies," writes Beatty, "is Populism's glory. No other party in the [19th] century cared to shape its program to the need of Americans with dirty fingernails."

Beatty is a passionate and often eloquent writer, albeit a rather undisciplined one. He devotes a long section of his book to key rulings by the Supreme Court that turned the 14th Amendment

son, Field voted to gut the antitrust law, strike down the income tax, and uphold racial segregation. Unfortunately, Beatty seldom includes one good quotation or anecdote when he has six or seven available, and most of his narratives will be familiar to anyone who's read a survey of the era. Still, he tells an essential story about the damage done by insurgent capitalists—details that all those

Histories of the Gilded Age used to provide a straightforward tale of ruin followed by redemption. Some aspects of that tradition live on.

from a boon for freed slaves into a virtual blank check for corporate conduct. One learns a great deal about the justices responsible for this fateful move, especially Stephen J. Field, who took his seat on the bench in 1863 and didn't retire until a few months before the start of the conflict with Spain. With the unbending certitude of a Calvinist preacher's

adoring obituaries of Milton Friedman somehow neglected.

It's just one side of the Gilded Age, however. Beatty fails to explain why millions of non-rich Americans didn't share his scorn toward some of the leading figures of their time. Grover Cleveland despised the Populists; as a stalwart exponent of laissez-faire, he intoned that even during a depression, "the Government should not support the people." But the principled New York Democrat may have been the most admired politician of the age: In three consecutive presidential elections, he won a plurality of the popular vote. Neither does Beatty account for why, during the last third of the century, more than 12 million immigrants arrived to search for opportunity in such a corrupt, class-divided nation. Nor does he dwell on such innovations as electric lights, the telephone, steamships, fast and cheap train travel, the Sears Catalog, and women's suffrage in most western states—all of which convinced observers here and abroad that the United States was a paragon of modernity.

In contrast, Heather Richardson, who teaches history at the University of Massachusetts, understands that in most periods of economic growth, winners are as prominent as losers. In Gilded Age Dixie, young black men who stood up for their rights often lost their jobs, and sometimes their lives; but, on the plains of the West, they could toil in integrated crews of cowboys, whose hardships and toughness shaped the core of an endur-

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ing cultural icon. Of course, for Native Americans, this interracial fraternity was nothing to celebrate. Meanwhile, back East, the industrial moguls who drove their factory hands to early deaths also needed a growing number of managers and clerks to staff their corporations and sell their products. Many of these white-collar workers could buy a home, complete with icebox and that giant step forward for man and womankind: indoor plumbing. Their daughters could afford stylish clothes and attend high school instead of going out to work. Amid the turbulence of mass strikes and agrarian rebellion, the modern middle class was born.

While Richardson is an adept social historian, she fumbles the task of explaining the political conflicts of the time. In place of Beatty's betrayal of popular government, she sees the middle class imposing its fears and values on the rest of the nation. Certainly, a medley of social gospels, settlement-house workers, civil-service advocates, and muckraking reporters helped to expose and clean up the worst aspects of Gilded Age rule. Even today, Jane Addams and Lincoln Steffens remain archetypes of the middle-class progressive. But, for Richardson, the "mainstream" is an abstract spirit that, through some unexplained process, humbled both robber barons and their class-conscious opponents.

Thus, Grover Cleveland was a "champion" of the middle-class when he called for cutting taxes, and so was William McKinley, whose "mainstream vision" enabled him to defeat William Jennings Bryan in the epic contest of 1896. Meanwhile, union leader Samuel Gompers befriended McKinley and was "increasingly using middle-class language" to argue for higher wages and an eight-hour workday. And don't forget Carnegie, who, notwithstanding his enormous wealth, "deliberately" employed "mainstream language" to denounce the U.S. conquest of the Philippines. Richardson seems unconcerned that Cleveland fought to lower tariffs while McKinley sponsored a major bill that raised them, or that Gompers voted for Bryan, or that the anti-imperialist movement did little to shake support for a foreign policy of military swagger.

The meaning of the Gilded Age thus gets smothered in a mess of banalities.

In her way, though, Richardson is trying to make sense of a larger truth. The order that emerged by the end of the 19th century frustrated conservatives such as Justice Field who wanted no brakes on capital. But it also dashed the dreams of such radicals as the utopian novelist Edward Bellamy and the socialist Eugene Debs. Americans were, as ever, a heterogeneous lot, whose political leanings are hard to summarize. But most seemed eager to find a middle ground between plutocracy and collectivism, a moral capitalism that would encourage entrepreneurs and the activists, in and out of government, who sought to curb influence and tax profits. Both Theodore Roosevelt and Woodrow Wilson understood this, and their administrations made liberalism the common sense of the land.

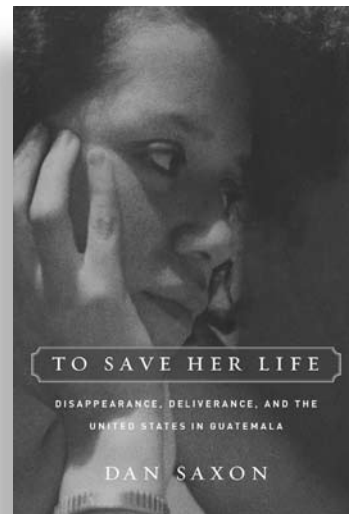
It is hazardous to draw historical analogies, but we may, a century later, be on the cusp of a similar transition. The Internet and cell phones have transformed patterns of communication, as did moveable type and the telegraph in previous eras. But real wages are stagnant, and unions in decline. Still, most Americans favor a higher minimum wage and, whatever their income, want the government to guarantee that everyone has health insurance. Global corporations enjoy a market share that Carnegie could only dream about. But anxiety about global warming has spawned a mass consciousness that could herald a new dawn of environmental controls. And, due to the debacle in Iraq, Republicans have lost their reputation as the party that sagely defends the national interest.

If a new Progressive Era has yet to begin, it is more because liberals aren't ready to mobilize public sentiment than because that sentiment is not lumbering their way. But I would bet that the new Gilded Age—with all its glitz and pain—is history. **TAP**

Michael Kazin is the author of A Godly Hero: The Life of William Jennings Bryan and other books. He teaches history at Georgetown University.

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Branding the Democrats

BY DREW WESTEN

REVENGE CAN BE SWEET. NEUROSCIENTISTS HAVE DISCOVERED circuits in the brain that become active with the feelings of “sweet revenge,” and it would take a saint or a stroke victim not to experience some pleasure watching Democrats regain the power of the subpoena after five long years. But with 18 months

until the 2008 election, and with millions of voters swinging away from the GOP but unsure whom, exactly, they’re swinging toward, the mantra of the left should be, in the inelegant language of advertising, *branding*.

Americans don’t like what it means to be a Republican, but they don’t know what it means to be a Democrat.

To build a coherent brand in politics—a compelling perception of what your party stands for and why a voter would want to stand with you—you have to do four things. The first is to use compelling language and imagery. If you want the average American to care about whether Karl Rove testifies under oath or just has a “chat” off the record, you can talk about the importance of having verbatim transcripts, and most voters will agree with your arguments. But if you want the electorate to *feel* why it matters, look straight into the camera and admonish the president, “Mr. Bush, just what it is about ‘So help me God’ that you find so offensive?”

The reality is that the only reason Bush wouldn’t want to see Karl Rove with his left hand on the Bible and his right hand in the air is that he wouldn’t want him to have to tell the truth. Invoking that image is worth a thousand arguments.

The second component of effective branding is telling a good story, both about yourself and the opposition. Our brains naturally search for story structures: an initial situation with a problem to be solved, protagonists trying to solve

it, antagonists who get in the way, and a dénouement that leads to resolution of the problem. This structure, understood implicitly by every child, helped our ancestors transmit knowledge over generations for thousands of years before the rise of literacy. Conveying a message in a form the brain expects renders that message both understandable and memorable.

House Speaker Nancy Pelosi’s visit to Syria spoke volumes about the failure of the president and the Secretary of State to do so themselves. But the best way to make sure voters pick up the *right* volume is to offer a simple narrative before embarking on the trip: “If the president isn’t going to act like a grown-up and talk to people he doesn’t like, we’re going to have to do it for him. When grown-ups disagree, they talk with each other. We’ve seen what happens—in Syria, Iran, and North Korea—when you simply demand that other countries do what you say: They do exactly what you don’t want them to do.” Setting up the story line in advance renders the president’s denunciation of Pelosi’s visit much more difficult—and makes his public tantrums in the new bipartisan world seem even more petulant.

The third key to branding reflects the way our minds associate one idea with

another. Presuming Bush doesn’t reap an unexpected public opinion windfall (say, from a terrorist attack), Republicans will do everything they can to portray their presidential ticket in 2008 as a “clean slate” and to minimize their association with a deeply unpopular administration. Every time Democrats criticize the Bush administration, they need to think in terms of associations: What will make this criticism stick to the Republican Party and its nominees in 2008 and beyond, not just to a failed administration? Virtually every sentence Democrats utter should be about “Bush and the Republican Party” or “Bush and his rubber-stamp Congress.” Democrats should note at every turn that rubber-stamp Republicans have been accomplices to every mistake this administration has made.

The final component to effective branding is not what a party says but what it does. The way Democrats handle their confrontation with the White House on the firing of the U.S. attorneys is as important to the party’s brand on national defense as the way they handle the confrontation on the funding of the Iraq War itself. Why? Because it sends a meta-message about how they handle confronta-

tions. The willingness of Democratic leaders such as Chuck Schumer, Harry Reid, and Nancy Pelosi to stare down the president has done far more to reassure the American people that Democrats know how to deal with aggression than all the efforts over the last five years to show that they, too, “support our troops.”

The only other prerequisite to building a coherent brand is to know what you stand for. That may be the hardest one of all. **TAP**

Drew Westen is Professor of Psychology and Psychiatry at Emory University and the author of the forthcoming book, The Political Brain: The Role of Emotion in Deciding the Fate of the Nation.

*Staring down
the president on
the firing of U.S.
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